

GROUND LEASE

dated as of _____, 202__

between

THE CITY AND COUNTY OF SAN FRANCISCO
a Charter city and county,

Landlord

and

EQX JACKSON SQ HOLDCO LLC,
a Delaware Limited Liability Company,

Tenant

with respect to
530 Sansome Street
SAN FRANCISCO, CALIFORNIA

GROUND LEASE

THIS GROUND LEASE (as amended, restated, supplemented or otherwise modified from time to time, this “**Lease**”) is made as of _____, 202__ (“**Commencement Date**”), by and between City and County of San Francisco, a Charter city and county, as landlord (“**Landlord**”), and EQX Jackson SQ Holdco LLC, a Delaware limited liability company, as tenant (“**Tenant**”). Each of Landlord and the Tenant is sometimes referred to in this Lease as a “**Party**” and collectively as the “**Parties**”.

RECITALS:

A. Landlord and Tenant have entered into that certain Conditional Property Exchange Agreement (the “**CPEA**”) dated July 30, 2020, pursuant to the terms of which, among other things, Tenant agreed to construct the Station Project (as defined in the CPEA) on the New City Parcel (as defined in the CPEA) in compliance with the requirements of the CPEA and the Construction Management Agreement between Landlord and Tenant and dated _____ (the “**Construction Management Agreement**”), and Landlord agreed to enter into this Lease and transfer to Tenant the Fee Estate, upon the satisfaction of certain terms and conditions, including Tenant’s transfer of the completed Station Project and New City Parcel (defined under the CPEA collectively as the “**Fire Station Improvements**”) to Landlord.

B. In furtherance of the terms and conditions of the CPEA, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Premises, upon the terms of this Lease.

C. Capitalized terms used but not otherwise defined in this Lease have the meaning given them in **Schedule 1** attached hereto.

D. Therefore, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. PREMISES.

1.1 Demise of Premises. In consideration of the rents and covenants set forth in this Lease on the part of Tenant to be paid and performed, Landlord hereby leases to Tenant, and Tenant hereby accepts and leases from Landlord, for the Term, upon and subject to the terms and provisions of this Lease, the following (collectively, the “**Premises**”):

1.1.1 the parcel of land as more particularly described on **Exhibit A** (the “**Land**”), all Existing Improvements and, upon demolition of the Existing Improvements, all new improvements constructed thereon;

1.1.2 all appurtenances, rights, privileges and easements now or hereafter appertaining to the Land; and

1.1.3 all right, title and interest of Landlord, in its proprietary interest as owner of the Land, in and to the land lying in the public streets, avenues, ways, and roads in front of and adjoining such Land.

1.2 Limitations. The demise of the Leasehold Estate is subject to the following:

1.2.1 the lien of real estate taxes and assessments, not yet due and payable; and

1.2.2 all easements, encumbrances (other than the lien of any mortgage or deed of trust encumbering Landlord's interest in the Fee Estate) and restrictions of record that affect title to the Premises as of the Commencement Date.

1.3 As Is, Where Is. TENANT SPECIFICALLY ACKNOWLEDGES AND AGREES THAT EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE OR IN THE CPEA, LANDLORD IS LEASING THE PREMISES "AS IS WITH ALL FAULTS" BASIS AND THAT TENANT IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM LANDLORD AS TO ANY MATTERS CONCERNING THE PREMISES, INCLUDING WITHOUT LIMITATION: (i) the quality, nature, adequacy and physical condition and aspects of the Premises, including, but not limited to, the structural elements, seismic aspects of the Premises, foundation, roof, appurtenances, access, landscaping, parking facilities and the electrical, mechanical, HVAC, plumbing, sewage, and utility systems, facilities and appliances, the square footage within the improvements on the Premises and within each tenant space therein, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Premises, (iv) the development potential of the Premises, and the Premises' use, habitability, merchantability, or fitness, suitability, value or adequacy of the Premises for any particular purpose, (v) the zoning or other legal status of the Premises or any other public or private restrictions on use of the Premises, (vi) the compliance of the Premises or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other Person, (vii) the presence of Hazardous Materials on, under or about the Premises or the adjoining or neighboring property, if any, (viii) the quality of any labor and materials used in any improvements on the Premises, (ix) the condition of title to the Premises, (x) the documents or agreements affecting the Premises, (xi) the value, economics of the operation or income potential of the Premises, or (xii) any other fact or condition which may affect the Premises, including without limitation, the physical condition, value, economics of operation or income potential of the Premises. Landlord will not be responsible for or liable to Tenant, and Tenant hereby leases the Premises from Landlord subject to the risk of, and waives and releases Landlord and its agents from, all Claims for any injury, loss, or damage to any Person or property in or about the Premises by or from any cause whatsoever relating to any of the matters described above in this Section 1.3.

1.4 Accessibility Disclosures. California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist ("CASp") to determine whether the property meets all applicable construction-related accessibility requirements. The law does not require landlords to have the inspections performed. Tenant is advised that the Premises have not been inspected by a CASp. A CASp can inspect the Premises and determine if they comply with all the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Tenant if requested by Tenant.

Landlord and Tenant must mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the CASp inspection fee, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises. Landlord and Tenant agree that if Tenant desires to have the Premises inspected by a CASp, then (1) Tenant will cause the inspection to occur within thirty (30) days after the Commencement Date; (2) the inspection will occur during business hours on a business day; (3) Tenant will give Landlord five (5) business days prior written notice of the inspection time and date; (4) Landlord may attend the inspection; and (5) Tenant will pay for all inspection costs (including fees for any reports prepared by the CASp (collectively, the "**CASp Reports**"). Tenant will deliver any CASp Reports to Landlord (without any representations or warranties regarding the same) within three (3) business days after Tenant's receipt. Tenant, will be solely responsible at Tenant's cost for making improvements, alterations, modifications, and/or repairs to or within the Premises to correct violations of construction-related accessibility standards disclosed by the CASp inspection.

1.5 Hazardous Substance Disclosure. California Legal Requirements require landlords to disclose to tenants the presence or potential presence of certain Hazardous Substances. Accordingly, Tenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Substances, including gasoline, diesel, and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane, and building materials containing chemicals, such as formaldehyde. By execution of this Lease, Tenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes and, to the extent permitted by Legal Requirements, Tenant waives any and all rights Tenant may have to assert that City has not complied with the requirements of the statute.

2. **TERM.**

2.1 Term. Tenant shall have and hold the Premises for a term (the "**Term**") commencing on the Commencement Date and expiring at 5:00 p.m. on the last day of the ninety-ninth (99th) Lease Year (the "**Expiration Date**"); provided that Landlord shall be automatically released from all of its obligations under this Lease (and Landlord shall have no further rights under this Lease) on the date that Landlord transfers Fee Title to Tenant in compliance with all of the terms and conditions of the CPEA.

2.2 Possession. On the Commencement Date, Landlord shall deliver possession of the Premises to Tenant, subject to the limitations set forth in Section 1.2.

3. **GROUND RENT, ADDITIONAL RENT.**

3.1 Ground Rent. Tenant shall pay to Landlord ground rent ("**Ground Rent**") for the entire Term of the Ground Lease the sum of \$1,000 on or before the Commencement Date.

3.2 Additional Rent. In addition to the Ground Rent, Tenant shall pay, without notice (except as otherwise expressly provided in this Lease) and without abatement, counterclaim, deduction or set-off, as additional rent ("**Additional Rent**"), all Impositions and all other costs, expenses, charges and amounts which Tenant is required to pay to Landlord under this Lease. Each and every sum that is an ascertainable sum certain and payable by Tenant pursuant to this Lease (other than Ground Rent), shall be Additional Rent under this Lease.

3.3 Late Payments; Costs of Collection. Any unpaid Additional Rent shall bear interest from the date which is seven (7) days after Tenant receives written notice from Landlord that the same is due until paid at the Default Interest Rate. In addition to any interest payable under this Section, if Tenant fails to pay Rent in immediately available funds or by good check, Tenant will pay to Landlord immediately upon demand as Additional Rent the amount of any fees, charges, or other costs incurred by Landlord, including dishonored check fees, increased staff time, and any costs of collection.

3.4 Manner of Payment. Tenant shall pay all Ground Rent and Additional Rent (collectively, "**Rent**") at Landlord's address as provided in this Lease, or as Landlord may otherwise direct (so long as Landlord delivers to Tenant fifteen (15) days advanced written notice of the effective of such change), or by other means (such as automatic debit, automatic clearing house transfer, wire transfer or electronic transfer) reasonably acceptable to Landlord, in such United States currency as shall, at the time of payment, be legal tender for the payment of public and private debts. Tenant may pay sums constituting Additional Rent directly to the applicable governmental authority, vendor, utility provider, or other service provider to which such sums are owed.

3.5 No Release. Except to the extent this Lease is terminated in accordance with its terms, no happening, event, occurrence, or situation whatsoever during the Term, whether foreseen or unforeseen, and however extraordinary, shall permit Tenant to quit or surrender the Premises or terminate this Lease or shall relieve Tenant of its liability to pay the Rent, or relieve Tenant from any of its other obligations under this Lease, and Tenant hereby waives any rights now or hereafter conferred upon it by statute, common law, proclamation, decree, order or otherwise, at law or in equity, to quit or surrender the Premises or terminate this Lease, or any part thereof, or to any abatement, diminution, reduction or suspension of Rent on account of any such event, happening, occurrence or situation.

4. PAYMENT OF TAXES, ASSESSMENTS.

4.1 Property Taxes. As a part of the consideration for this Lease and as Additional Rent hereunder, Tenant covenants and agrees to bear, pay and discharge before delinquency all taxes (including possessory interest, real property, personal property, real property transfer, and special taxes), assessments, rates, charges, license fees, municipal liens, gross receipt taxes, levies, excises or imposts, whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever which are attributable to any time period during the Term and which are imposed on or attributable to the Premises, this Lease, any transfer of a leasehold interest or subleasehold interest in the Premises (including but not limited to any transfer of the leasehold interest in the Premises under this Lease), Tenant's use and/or occupancy of the Premises, the Rent due under this Lease or to the Land (the "**Impositions**"). Notwithstanding the foregoing, the term Impositions shall not include Landlord Income Taxes (defined in Section 4.3 below). Further, if the CPEA provides for an alternate allocation of transfer taxes at the Initial Closing or the Final Closing (as such terms are defined in the CPEA), then the terms of the CPEA will govern with regard to those closings.

4.2 Special Assessments. If at any time during the term of this Lease any governmental subdivision shall undertake to create an improvement or special assessment district the proposed

boundaries of which shall include the Premises, Tenant shall be entitled to (and Landlord shall not be entitled) appear in any proceeding relating thereto and to exercise all rights of a landowner to have the Premises excluded from such district or to determine the degree of benefit to the Premises resulting therefrom. The Party receiving any notice or other information relating to the proposed creation of any such district, the proposed boundaries of which include the Premises, shall promptly advise the other Party in writing of such receipt. If any tax, assessment, charge, levy, or impost made against the Premises to finance such a special improvement shall be payable in installments over a period of time extending beyond the term of this Lease, Tenant shall only be required to pay such installments to the extent they relate to the Premises and to the extent the same become due and payable during the Term of this Lease.

4.3 No Liability for Landlord's Taxes. Nothing contained in this Lease shall require Tenant to pay any net income, franchise, corporate, succession, inheritance or capital levy tax of Landlord ("**Landlord Income Taxes**").

4.4 Evidence of Payment. Tenant shall be responsible for obtaining bills for all Impositions directly from the applicable taxing authority, and Landlord will cooperate, if necessary, so that the relevant tax bills are delivered directly to Tenant. If a taxing authority will only send tax bills to the owner of the Fee Estate, Landlord will promptly deliver those tax bills to Tenant. Upon Landlord's request, Tenant shall deliver evidence of payment of all Impositions and, to the extent receipts are provided to Tenant by the applicable taxing authority and are in Tenant's possession or are readily available on line, receipts evidencing such payment.

4.5 Contest of Impositions.

4.5.1 Tenant may in good faith contest, seek to abate or otherwise challenge any Imposition in either Tenant's name or Landlord's name, or both, and may take any and all action with respect thereto as it may deem necessary or advisable, and Landlord shall reasonably cooperate with Tenant and execute such papers as may from time to time be necessary to bring, defend or facilitate such proceedings. All refunds and abatements shall belong to Tenant or Landlord, depending upon which Party paid or would have been obligated to pay (as between Tenant and Landlord) the Impositions in respect of which the refund or abatement was made.

4.6 Landlord's Right to Pay Impositions. If any Imposition shall not have been paid as required in Section 4, then Landlord may, but shall not be required to exercise the remedies identified in Section 13.6 of this Lease.

5. UTILITIES AND OTHER EXPENSES. During the Term, Tenant, at its sole cost and expense, shall pay or cause to be paid, in addition to the Impositions as set forth in Section 4, all charges for gas, electricity, light, heat, power, telephone, cable, or other communication service, and any other utilities rendered or supplied to the Premises. To the extent any statement for such services covers any period not within the Term, Tenant's payment obligation under such statement shall be prorated so that Tenant pays only the portion that is attributable to the period within the Term.

6. INSURANCE. [UNDER CITY RISK MANAGEMENT REVIEW]

6.1 Insurance Coverage. Tenant, at its sole cost and expense, shall obtain and keep in full force and effect during the Term, the insurance coverages described on Schedule 2 attached hereto and made a part hereof. Tenant shall cause Landlord and each Leasehold Mortgagee and Mezzanine Lender (each as defined in Section 12.1.1 below) (if any) to be included as additional insureds under Tenant's commercial general liability insurance (but excluding property damage coverage, except as otherwise expressly provided for in the REA), which insurance policies shall contain a provision that thirty (30) days' written notice of cancellation, except that ten (10) days' written notice shall be given for non-payment of premium. Losses under any such policy shall be settled solely by Tenant and, if required, by any Leasehold Mortgagee in accordance with its Leasehold Mortgage. Landlord shall reasonably cooperate with Tenant in any proceedings relating to the settlement for losses under any such policy, provided that Landlord shall incur no material cost or expense in connection therewith.

6.2 Evidence of Coverage. On or before the Commencement Date, Tenant shall deliver to Landlord evidence of insurance. If requested by Landlord, Tenant will promptly provide copies of all required insurance policies to Landlord. Prior to expiration of any such policy or policies, or any renewal or replacement thereof, Tenant shall deliver to Landlord evidence of the renewal or replacement thereof. If Tenant fails to provide to Landlord evidence of insurance in accordance with this Section 6.2, Landlord shall have the right to exercise the remedies set forth in Section 13.5.1.

7. USE OF THE PREMISES.

7.1 Use. Subject to this Section 7, Tenant shall have the right to use the Premises to demolish the Existing Improvements and construct, operate, and use the Tower Project (as defined in the CPEA), including any elements shared with the Station Project (as defined in the CPEA). Notwithstanding the foregoing, following the transfer of the Fire Station Property (as defined in the CPEA) to the City and County of San Francisco in accordance with the provisions of the CPEA, or following the Deemed Transfer Date, if applicable, Tenant shall have the right to use the Premises for any lawful purpose, subject to the REA. For purposes hereof, the "**Deemed Transfer Date**" shall mean the earlier to occur of the following: (a) the transfer of the Station Project to Landlord in accordance with the terms and conditions of the CPEA in connection with the Final Closing (as such term is defined in the CPEA), (b) in connection with the Final Closing, Tenant's compliance with all of its obligations under Sections 9.3 of the CPEA, and the satisfaction of all of the conditions in Section 8.1 of the CPEA, and the failure of the City to comply with its obligations under Section 9.4 of the CPEA, or (c) the enforcement by the City of its rights, and the payment and performance of all amounts due and owing to the City, under the Completion Guaranty executed by Tenant's parent, The Related Companies, L.P., or the enforcement by the City of its rights, and the payment of all amounts due and owing to the City, under the provisions of Section 9.6(b)(i) of the CPEA, and, as to any of the events set forth in clauses (a), (b) and (c) above, the acknowledgement in writing by Landlord that any of such events have occurred, which acknowledgement Landlord shall be obligated to provide within five (5) business days following Tenant's written request therefore provided any such event has actually occurred.

7.2 Compliance with Applicable Laws and the REA. Tenant shall (a) comply with all Applicable Laws (expressly excluding anything related to the condition of the Existing Improvements as of the Commencement Date if Tenant promptly demolishes the Existing Improvements in compliance with all Applicable Laws following the Commencement Date), (b) comply with the requirements of all policies of commercial general liability, property, and all other policies of insurance at any time in force with respect to the Premises as required under Article 6 hereof, to the extent such compliance is required to prevent the cancellation of any such policy, and (c) comply with the terms and conditions of the REA.

Tenant shall have the sole right to contest, by appropriate legal proceedings in the name of Tenant or Landlord or both, without cost or expense to Landlord, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature herein referred to, and if, by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith may legally be held in abeyance pending the prosecution of any such proceedings without subjecting or threatening to subject Tenant or Landlord to any criminal liability of whatsoever nature for failure so to comply therewith, provided that all such proceedings shall be instituted and prosecuted with due diligence and dispatch, and further provided that Landlord shall not be subject to any material cost or liability as a result thereof. Landlord shall, without cost or expense to Landlord, promptly execute and deliver any documents which may be necessary or proper to permit Tenant to contest the validity or application of any such law, ordinance, order, rule, regulation or requirement.

7.3 No Landlord Services. Notwithstanding any other provision in this Lease, Landlord shall not be required to furnish any services or facilities or to make any repairs, alterations, replacements or improvements whatsoever in or to the Premises. Tenant hereby assumes the full and sole responsibility for the condition, operations, repair, replacement, maintenance and management of the Premises.

7.4 No Authority to Bind Fee. Subject to the provisions of Section 7.5 below, neither Tenant nor any subtenant, nor any agent, employee, representative, contractor, or subcontractor of either Tenant or any subtenant, shall have any power or authority to do any act or thing or to make any contract or agreement which will bind Landlord or which may create or be the foundation for any mechanic's lien or other lien or claim upon or against Landlord's interest in the Premises. Landlord shall have no responsibility to any subtenant, contractor, subcontractor, supplier, materialman, workman, or other Person who shall engage in or participate in the design or construction of Improvements with respect to such improvements unless Landlord shall expressly undertake such obligation by an agreement in writing signed by Landlord.

7.5 Landlord's Cooperation. Landlord, in its proprietary interest as the owner of the Fee Estate, shall reasonably cooperate with Tenant, at no cost or expense to Landlord, with regard to Tenant's efforts, from time to time, to process and obtain all entitlements for the construction of all new Improvements on the Premises, including, without limitation, executing all such documents in its proprietary interest as the owner of the Fee Estate needed to obtain and process such entitlements. If requested by Tenant, at Tenant's cost and expense, Landlord shall execute a letter or letters to the applicable governmental authorities, as may be reasonably required to evidence Tenant's authority to take the actions contemplated herein. Landlord shall promptly (and in no event shall it take longer than ten (10) business days) execute any documents requested by

Tenant under this Section. All letters and documents to be executed by Landlord under this subsection must be complete and correct and in a form reasonably acceptable to Landlord.

7.6 Subdivision. Tenant and Landlord contemplate that Tenant will seek, at Tenant's expense, an air rights subdivision (the "**Subdivision**") of the Land together with Existing Developer Property (as defined in the CPEA) such that there will be two (2) parcels: the New City Parcel and the New Developer Parcel (each as defined in the CPEA). The Subdivision must be completed in compliance with all Applicable Laws. Tenant understands and agrees that the Subdivision will require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises, including, without limitation, City agencies. Tenant will be solely responsible for obtaining any and all such approvals. Tenant may not seek any Subdivision approval without first obtaining the written consent of Landlord as owner of the Fee Estate. Tenant will bear all costs associated with applying for and obtaining any necessary or appropriate approval for the Subdivision and will be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of the Subdivision process; provided, however, any such condition that could affect use or occupancy of the Premises or Landlord's interest therein must first be approved by City in its reasonable discretion. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any Subdivision approval will be immediately paid and discharged by Tenant, and City will have no liability, monetary or otherwise, for any such fines or penalties. City will cooperate with Tenant in completing the Subdivision, in Landlord's reasonable discretion. Any and all Subdivision documents, including, but not limited to, maps, plans, reciprocal easement agreements, declarations, restrictions, and association documents, must be submitted to Landlord in draft form for Landlord's review, comment, and approval, and Tenant will comply with Landlord's requirements for such documents and Landlord shall promptly execute any documents requested by Tenant under this Section. Tenant will indemnify, defend, and hold harmless Landlord and the other Indemnified Parties hereunder against all Claims (as such terms are defined in Section 14 below) arising in connection with the Subdivision, the Subdivision process, or Tenant's failure to obtain Subdivision approval, or failure by Tenant, its agents, or invitees to comply with the terms and conditions of any Subdivision approval. Tenant acknowledges that no subdivision of the Land, including any that results in the Land not being a legal parcel that satisfies the provisions of California Government Code Sections 66410 et seq. will constitute an amendment of this Lease or change the Land or the Premises leased to Tenant under this Lease.

7.7 Grant of Dedications and Easements Within Premises. In conjunction with the Subdivision and development of the Combined Project, and in conformity with the requirements of the CPEA and the Construction Management Agreement, Landlord acknowledges that the governmental agencies exercising jurisdiction over the Premises and/or various utility companies providing utilities to the Premises (including for electricity, water, steam, gas, telephone, and sewer), may require the grant of various dedications and easements with respect to the Premises affecting not only the Leasehold Estate, but also the Fee Estate. Landlord agrees to cooperate and join with Tenant in granting such interests in the Landlord's Fee Estate in the Premises that are so required to the extent reasonably consistent with the use of the Premises contemplated by the parties without further consideration payable by Tenant to Landlord for doing so, but subject to Landlord's reasonable approval as to the form and content of such grant and provided it is at Tenant's sole cost. Landlord shall promptly execute any documents requested by Tenant under

this Section. Landlord will endeavor to execute such documents within ten (10) business days after Landlord's receipt of complete, correct, and approved documents.

7.8 Construction. In any construction at the Premises, including the construction of the Tower Project, Tenant must comply with this Section 7.8.

7.8.1 Intentionally Omitted.

7.8.2 General Requirements and Rights of City. All construction documents, including but not limited to preliminary and final plans and specifications (collectively the "**Construction Documents**") must be prepared by a Person registered in and by the State of California to practice architecture and must be in conformity with the requirements set forth in this Lease and all Applicable Laws.

7.8.3 Limitation on Landlord's Approval; Landlord Approval of Construction Documents for Tower Project. Landlord's approval with respect to the Construction Documents is limited to the approval of the same as it relates to the Shared Elements (as such term is defined in the REA) and compliance with the contracting requirements set forth in Exhibit B to this Lease and compliance with Applicable Laws.

7.8.4 Landlord Does Not Approve Compliance with Construction Requirements. Landlord's approval will be given only in its proprietary capacity as the owner of the Fee Estate and is not directed to engineering or structural matters or compliance with local building codes and regulations, the Americans with Disabilities Act, or any other Applicable Law relating to construction standards or requirements. Nothing in this Lease will limit in any way Tenant's obligation to obtain any required approvals from City officials, departments, boards, or commissions having jurisdiction over the Premises. By entering into this Lease, City is in no way modifying or limiting Tenant's obligation to cause the Premises to be used and occupied in accordance with all Applicable Laws.

7.8.5 Construction to Comply with Construction Documents and Law.

(a) Compliance with Landlord Approved Documents. The construction on the Premises must be in compliance with Landlord-approved Construction Documents as provided above in this Section 7.8.

(b) Compliance with Local, State, and Federal Law. Construction on the Premises must be in strict compliance with all Applicable Laws. Tenant understands and agrees that Tenant's use of the Premises and construction of the Improvements permitted under this Lease will require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises, including, without limitation, City agencies. Tenant will be solely responsible for obtaining any and all such regulatory approvals. Tenant may not seek any regulatory approval without first obtaining the written consent of Landlord, which written consent shall not be unreasonably withheld and shall be deemed given if Landlord fails to respond to Tenant within ten (10) business days following delivery to Landlord of Tenant's written request for approval, provided the same is followed by a second written request for approval delivered to Landlord, and Landlord fails to respond to Tenant within five (5) business days following delivery to Landlord of Tenant's second written request for approval. Tenant will bear all costs associated

with applying for and obtaining any necessary or appropriate regulatory approval and will be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval; provided, however, any such condition that could affect use or occupancy of the Premises and Landlord's reversionary interest in the Leasehold Estate must first be approved by Landlord in its reasonable discretion. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval will be immediately paid and discharged by Tenant, and Landlord will have no liability, monetary, or otherwise, for any such fines or penalties. Tenant will indemnify, defend, and hold harmless Landlord and the other Indemnified Parties hereunder against all Claims arising in connection with Tenant's failure to obtain or failure by Tenant, its agents, or invitees to comply with the terms and conditions of any regulatory approval.

7.8.6 Building Permits. Tenant will have the sole responsibility for obtaining all necessary building permits and will make application for such permits directly to the City Department of Building Inspection and other appropriate departments and agencies.

7.8.7 Intentionally Omitted.

7.8.8 City Approval of Changes after Commencement of Construction. Tenant may not approve or permit any change to the Construction Documents after the same has been approved by Landlord without Landlord's prior written consent, which written consent shall not be unreasonably withheld and, as to changes that do not affect the requirements set forth on Exhibit B, shall be deemed given if Landlord fails to respond to Tenant within ten (10) business days following delivery to Landlord of Tenant's written request for approval, provided the same is followed by a second written request for approval delivered to Landlord, and Landlord fails to respond to Tenant within five (5) business days following delivery to Landlord of Tenant's second written request for approval.

7.8.9 Reports. Commencing when construction of the Combined Project (as such term is defined in the CPEA) commences and continuing until completion of construction of the Improvements, Tenant will make a report in writing to Landlord not less than every month, in such detail as may reasonably be required by Landlord, as to the actual progress of the Tenant with respect to the construction of the Combined Project.

7.9 City Requirements. As long as the Fee Estate is owned by the City and County of San Francisco, Tenant shall comply, and, to the extent it is not prevented from doing so by Applicable Laws, use commercially reasonable efforts to cause its subtenants and any other Person Tenant or a subtenant allows to use the Premises, to comply, with the requirements set forth in the attached Exhibit B.

7.10 Landlord Acting as Owner of Real Property. Landlord is entering into this Lease in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers and any approvals Landlord may give under this Lease will be given only in its proprietary capacity as a landowner and is not directed to engineering or structural matters or compliance with local building codes and regulations, the Americans with Disabilities Act, or any other Applicable Law relating to construction standards or requirements. Nothing in this Lease will limit in any way Tenant's obligation to obtain any required approvals from the

officials, departments, boards, agencies, commissions of the City and County of San Francisco or other body having jurisdiction over the Premises. By entering into this Lease, Landlord is not modifying or limiting Tenant's obligation to cause the Premises to be used and occupied in accordance with all Applicable Laws.

7.11 Hazardous Material Neither Tenant nor any subtenant, nor any agent, employee, representative, contractor, or subcontractor of either Tenant, any subtenant will cause or permit any Hazardous Substance to be brought on, kept, used, stored, generated or disposed of in, on, or about the Property, or transported to or from the Property, except as needed for the construction of the Combined Project and only in compliance with all applicable Environmental Laws at all times. Tenant will give City immediate written notice of: (a) any action, proceeding, or inquiry by any governmental authority (including the California State Department of Health Services, the State or any Regional Water Quality Control Board, the Bay Area Air Quality Management District, or any local governmental entity) against Tenant with respect to the presence or Release or suspected presence or Release of any Hazardous Substance on the Premises or the migration thereof from or to other property; (b) all demands or claims made or threatened by any third party against Tenant or the Premises relating to any loss or injury resulting from any Hazardous Substance; (c) any Release of Hazardous Substance on or about the Premises that has occurred and may require any Investigation or Remediation; and (d) all matters of which Tenant is required to give notice under Section 25359.7 of the California Health and Safety Code.

7.12 Access. As of the Effective Date and through the Term, Tenant will permit access to the Premises to Landlord whenever and to the extent necessary to carry out the purposes of the provisions of this Lease, at reasonable times and upon reasonable advance notice.

8. LIMITATIONS ON LANDLORD'S RIGHTS UNDER THIS SECTION. NOTWITHSTANDING ANYTHING STATED TO THE CONTRARY IN THIS LEASE, THE PROVISIONS OF SECTIONS 7.1 AND 7.8 ABOVE SHALL BE OF NO FORCE AND EFFECT AS OF THE DATE THAT THE CITY AND COUNTY OF SAN FRANCISCO NO LONGER OWNS FEE TITLE TO THE LAND. Title to all Improvements which are part of the Premises shall be in and remain in Tenant for and during the entire Term, but upon the expiration or termination of the Term title shall vest automatically and without further action of the Parties in Landlord as to all Improvements then included within the Premises. Without limiting the foregoing, Tenant shall execute such documents as are reasonably requested by Landlord to confirm the provisions of this Section.

9. DAMAGE TO OR DESTRUCTION OF IMPROVEMENTS. In the case of damage to, or destruction of, the Improvements (or any portion thereof) by fire or any other cause, Tenant shall rebuild the Improvements to the extent necessary to deliver to Landlord the Fire Station Improvements as required under Section 12.1(b) and 12.2(b) of the CPEA. Tenant shall be entitled to all insurance proceeds payable in connection with any such damage or destruction and Landlord shall have no interest in the same. Notwithstanding the foregoing, following the transfer to the City and County of San Francisco of the Fire Station Improvements or following the Deemed Transfer Date, as applicable, in the case of damage to, or destruction of, the Improvements (or any portion thereof) by fire or any other cause, Tenant may, but shall not be obligated to (but subject to the terms and conditions of the REA), rebuild the same in its sole and absolute discretion. If Tenant does not elect to rebuild the same it shall promptly remove the debris

resulting from such damage, and within one hundred twenty (120) days (or such longer period if needed due to force majeure delays) from the date of such damage, restore the Premises to a clean and safe condition, and otherwise in accordance with the terms and conditions of the REA. Subject to the terms and conditions of the REA, Tenant shall be entitled to all insurance proceeds payable in connection with any such damage or destruction and Landlord shall have no interest in the same.

10. CONDEMNATION

10.1 Parties' Rights and Obligations to be Governed by Agreement. If, during the term of this Lease, there is a Taking of all or any part of the Premises or a Taking of any interest in the Leasehold Estate, the rights and obligations of the parties will be determined under this Article 10. Accordingly, Tenant waives any right to terminate this Lease upon under Sections 1265.110, 1265.120, 1265.130 and 1265.140 of the California Code of Civil Procedure, as those sections may from time to time be amended, replaced, or restated.

10.2 Notice. In case of the commencement of any proceedings or negotiations that might result in a Taking of all or any portion of the Premises or the Leasehold Estate during the Term, the Party learning of such proceedings will promptly give written notice of the proceedings or negotiations to the other Party. The notice will describe with as much specificity as is reasonable, the nature and extent of such Taking or the nature of such proceedings or negotiations and of the Taking that might result, as the case may be.

10.3 Total Taking. If all of the Premises are Taken, this Lease will terminate on the date the condemnor has the right to possession of the Premises.

10.4 Partial Taking. If any portion of the Premises is Taken, this Lease will remain in effect, except that the Tenant may (in its sole and absolute discretion), with Lender's written consent, elect to terminate this Lease if Tenant determines that the remaining portion of the Premises is rendered unsuitable for Tenant's continued use. If Tenant elects to terminate this Lease, then Tenant must exercise its right to terminate under this paragraph by giving notice to Landlord within thirty (30) days after Tenant's receipt of notice as to the nature and extent of the Taking. Tenant's termination notice must include the date of termination, which date may not be earlier than thirty (30) days or later than six (6) months after the date of Tenant's notice; except that this Lease will terminate on the date the condemnor takes (in accordance with Applicable Law) possession of the Premises if that date falls on a date before the date of termination as designated by Tenant. If Tenant does not terminate this Lease within the thirty (30) day notice period, this Lease will continue in full force and effect. If any portion of the Premises is Taken and this Lease remains in full force and effect, then there will be no adjustment in Rent. If there is a partial Taking of the Premises and this Lease remains in full force and effect, then Tenant may, subject to the terms of the Leasehold Mortgage or Mezzanine Loan, use the proceeds of the Taking first to accomplish all necessary restoration to the Premises, including the Shared Elements, and thereafter for use for any other lawful purpose.

10.5 Temporary Taking. If the whole or any part of the Premises, or of Tenant's Leasehold Estate under this Lease, is Taken for temporary use or occupancy, Sections 10.4 and 10.5 will not apply and Tenant shall perform and observe all of the other terms, covenants, conditions, and obligations upon the part of the Tenant to be performed and observed, as though

the Taking had not occurred, except only to the extent that Tenant may be prevented from so doing by the condemnor. Tenant shall be entitled to receive (and retain) the entire amount of the Condemnation Proceeds for the Taking, whether paid by way of damages, rent or otherwise, unless such period of temporary use or occupancy extends beyond the expiration of the Term of this Lease.

10.6 Award and Distribution. Any compensation awarded, paid, or received on a total or partial Taking of the Premises shall belong to and be distributed in the following order:

10.6.1 First, to pay the balance due on any outstanding Leasehold Mortgages or Mezzanine Loans (in accordance with their terms) and other outstanding or unpaid obligations and/or liabilities, including but not limited to, trade accounts, taxes, payroll accruals, and lease residuals, to the extent provided therein; and

10.6.2 Second, to Tenant, an amount equal to the then fair market value of the Tenant's interest in the Improvements and the Leasehold Estate (including, but not limited to, the value of Tenant's interest in all Permitted Subleases or other subleases entered into with Landlord's consent), such value to be determined as it existed immediately preceding the earlier Taking or threat of Taking of the Premises; and

10.6.3 Third, to Landlord, any amounts as may determined by the court with respect to Landlord's interest under this Lease.

10.7 Participation in Proceedings. Landlord, Tenant, and the holder of any Leasehold Mortgage or Mezzanine Loan shall have the right to participate in any condemnation proceeding for the purpose of protecting their rights hereunder to the extent the documents relating to any such Leasehold Mortgage or Mezzanine Loan grant to the holder of the same the right to so participate.

10.8 Assignment of Proceeds. If Tenant assigns to any Leasehold Mortgagee and/or Mezzanine Lender any Condemnation Proceeds which Tenant is entitled to receive under this Article 10, Landlord shall recognize such assignment and consents to the payment of such Condemnation Proceeds to such Leasehold Mortgagee and/or Mezzanine Lender.

11. MECHANIC'S LIENS.

11.1 If any mechanic's lien, materialmen's lien, supplier's lien, or other lien is filed against the Fee Estate or any part thereof, based upon any act of Tenant or any Person claiming through or under Tenant, then within thirty (30) days after obtaining knowledge thereof, Tenant shall (i) promptly take such action in accordance with California law (by bonding pursuant to a bond reasonable approved by Landlord and sufficient under California law, including, without limitation, California Civil Code Section 8424 or any comparable statute adopted in the future, to remove such lien as a lien encumbering the title to the Premises as may be necessary to release or satisfy such lien, or (ii) if Tenant desires to contest such lien, furnish to Landlord such bond as Landlord may reasonably require to afford protection against such lien.

11.2 If Tenant fails to comply with the terms of Section 11.1 with respect to any mechanic's lien, materialmen's lien, supplier's lien, or other lien, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, on no less than ten (10) business days

prior written notice to Tenant, release such lien either by paying the amount claimed to be due or by procuring the release of such lien by deposit or by bonding proceedings. Tenant shall reimburse and pay to the Landlord on demand any amount so paid by Landlord and all out of pocket costs and expenses, including reasonable attorney's fees, incurred by Landlord in connection therewith, together with interest thereon at the Default Interest Rate from the date that such costs and expenses were incurred.

12. LEASEHOLD MORTGAGES AND MEZZANINE LOANS; ASSIGNMENT AND SUBLETTING; MORTGAGEE PROTECTION PROVISIONS

12.1 Leasehold Mortgages and Mezzanine Loans.

12.1.1 Mortgage Pledge. A "**Mortgage Pledge**" means (1) a mortgage or pledge of Tenant's interest in this Lease to one or more Leasehold Mortgagees (as hereinafter defined), and/or (2) a pledge of the direct or indirect interest in Tenant to one or more Mezzanine Lenders (as hereinafter defined). Tenant shall have the right to make a Mortgagee Pledge, in each case upon prior written notice to Landlord and without Landlord's consent, at any time and from time to time during the Term. Landlord acknowledges that the request to execute an estoppel or any other document for the benefit of a Leasehold Mortgagee and/or Mezzanine Lender shall constitute notice to Landlord and which shall satisfy the notice requirement for a Mortgagee Pledge in this Section. The execution and delivery of a mortgage of Tenant's interest in this Lease (each "**Leasehold Mortgage**"), or pledge of any direct or indirect interest in Tenant, shall not be deemed to constitute an assignment or transfer of this Lease, nor shall any such holder of any Leasehold Mortgage (each a "**Leasehold Mortgagee**" and collectively, the "**Leasehold Mortgagees**") or the holder of such pledge (each a "**Mezzanine Lender**" and collectively, the "**Mezzanine Lenders**"), as such, be deemed an assignee or transferee of this Lease so as to require such Leasehold Mortgagee or Mezzanine Lender to assume the performance of any of the covenants or agreements on the part of Tenant to be performed hereunder. In conjunction with any Leasehold Mortgage or mezzanine loan secured by a pledge of any direct or indirect interest in Tenant (each a "**Mezzanine Loan**"), Tenant may give as collateral to the Leasehold Mortgagee and to the Mezzanine Lender an assignment of and security interest in all of Tenant's rights hereunder, including (i) the rents, income, receipts, revenues, issues, and profits issuing to Tenant from the Premises, (ii) any sublease of all or a portion of the Premises, (iii) Tenant's right of election to vacate or remain in possession of the Premises following any rejection of this Lease in a Landlord bankruptcy, (iv) Tenant's interest in this Lease, and (v) Tenant's interest in all improvements and fixtures, machinery, apparatus, equipment, and personal property of Tenant, in each case, subject to the terms of this Lease. In the event that Tenant enters into one or more Leasehold Mortgages and/or there are one or more Mezzanine Loans, Landlord agrees that it will enter into a "recognition agreement" in form and substance reasonably approved by Landlord confirming the rights of any Leasehold Mortgagee and/or Mezzanine Lender under this Section 12. All proceeds of any loan secured by a Leasehold Mortgage shall be payable solely to Tenant and the proceeds of any Mezzanine Loan shall be payable solely to the borrower thereunder. Under no circumstance whatsoever shall Tenant place or suffer to be placed any lien or encumbrance on Landlord's Fee Estate and any lien or encumbrance of Landlord's Fee Estate executed or authorized by Tenant shall be deemed to be a breach of this Lease (subject to the notice and cure rights set forth in Section 13.1(b) below) on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

12.1.2 Notice of Default to Landlord. Tenant will require any Leasehold Mortgagee and any Mezzanine Lender to give the Landlord prompt written notice of any default or breach of the Leasehold Mortgage or Mezzanine loan and each Leasehold Mortgage and Mezzanine loan must provide for such notice to the Landlord.

12.1.3 Cost of Financing to be Paid by Tenant. Tenant covenants and affirms that it will bear all of the costs and expenses in connection with (a) the preparation and securing of any Leasehold Mortgage or any Mezzanine loan, (b) the delivery of any instruments and documents and their filing and recording, if required, and (c) all taxes and charges payable in connection with any Leasehold Mortgage and any Mezzanine loan.

12.2 Assignment and Subletting.

12.2.1 Assignment of Lease by Tenant. Prior to the transfer to the City and County of San Francisco of fee title to the Fire Station Property in accordance with the provisions of the CPEA, or prior to the Deemed Transfer Date, if applicable, Tenant shall not have the right to assign its interest under this Lease without the prior written approval of Landlord (which approval may be withheld in Landlord's sole and absolute discretion) ; provided, further, however, that Landlord's consent to the assignment of Tenant's interest under this Lease shall not apply to any assignment arising from any Mortgagee Pledge, any assignment resulting from the foreclosure under any Mortgagee Pledge, or Tenant's encumbering its interest in the Leasehold Estate. Following the transfer to the City and County of San Francisco of fee title to the Fire Station Property in accordance with the provisions of the CPEA, or following the Deemed Transfer Date, if applicable, Tenant shall have the right to assign its interest under this Lease without the approval of the Landlord.

12.2.2 Subleasing. Tenant shall have no right to sublet the Premises (or any part thereof) without the prior written consent of Landlord, which can be withheld or conditioned by Landlord in its absolute and sole discretion, except as expressly provided in this Section 12.2.2. Tenant shall have the right to sublet the Premises (or any part thereof) at any time and from time to time, upon prior written notice to Landlord and without the consent or approval of Landlord, to any Person subject to the following terms and conditions:

(a) The commencement date of the sublease is on or after the date that fee title to the Fire Station Property is transferred to the City and County of San Francisco in accordance with the provisions of the CPEA, or after the Deemed Transfer Date, if applicable.

(b) No Event of Default has occurred and remains uncured under this Lease;

(c) The proposed subtenant is not a Prohibited Person;

(d) The proposed subtenant shall not be subject to a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of any government or any subdivision as of the date of the proposed sublease; and

(e) While the City is Landlord, Tenant shall cause any proposed subtenant to expressly acknowledge that it is not entitled to any relocation assistance and benefits in connection with this Lease and agree not to pursue any request, claim, action, or proceeding for relocation

assistance or benefits. Tenant shall Indemnify Landlord for any and all Claims arising out of any relocation assistance or benefits of any subtenant. Tenant's obligation to Indemnify Landlord shall survive the expiration, termination, assignment, or sublease of this Lease.

Each sublease that complies with the foregoing conditions, is referred to as a "**Permitted Sublease.**"

12.2.3 Tenant shall have the right to execute, amend, restate, modify, or terminate any Permitted Sublease at any time and from time to time upon prior written notice to Landlord but without the consent or approval of Landlord so long as at the time of any amendment, restatement, or modification, the subtenant and sublease continue to satisfy the requirements of Section 12.2.2 above.

12.3 Nondisturbance Agreements. Landlord hereby covenants and agrees that Landlord shall, upon Tenant's reasonable request, execute, acknowledge and deliver non-disturbance agreements or recognition agreements, as appropriate, with subtenants under Permitted Subleases in form and substance reasonably satisfactory to Landlord and Tenant. Landlord will respond to Tenant's request with its execution or comments to the requested agreement within thirty (30) days after Tenant's request.

12.4 Encumbrances, Transfers or Assignments by Landlord. Notwithstanding any other provision of this Lease, (a) Landlord shall have no right to grant one or more mortgages, deeds of trust or security interests on all or any portion of its Fee Estate without Tenant's prior written approval, which approval may be withheld by Tenant in its sole and absolute discretion, and (b) Landlord shall have no right to transfer or assign the Fee Estate (or any interest therein) without Tenant's prior written approval, which approval may be withheld by Tenant in its sole and absolute discretion, it being understood by Landlord that such rights of Landlord must be restricted as provided herein (given Landlord's obligation to transfer the Fee Estate to Tenant as expressly provided in the CPEA) and that any such transfer or encumbrance in violation of this Section shall be void and of no force or effect.

12.5 Lender Protection Provisions.

12.5.1 Notices to Leasehold Mortgagees; Leasehold Mortgagee's Right to Cure.

(a) Notices to Leasehold Mortgagees. If Landlord has received prior written notice of a Leasehold Mortgagee (either by that Leasehold Mortgagee or by Tenant) with its name and address and a description of its security interest in Tenant or this Lease, Landlord shall send to that Leasehold Mortgagee, by certified or registered mail, a true, correct and complete copy of any notice to Tenant of a default by Tenant under this Lease at the same time as and whenever any such notice of default shall be given by Landlord to Tenant, addressed to such Leasehold Mortgagee at the address last furnished to Landlord by Tenant or such Leasehold Mortgagee. Each Leasehold Mortgagee has the right, but not the obligation, at any time before termination of this Lease and without payment of any penalty other than the interest on unpaid rent, to pay all of the rents due under this Lease, to effect any insurance, to pay any taxes and assessments, to perform any construction, to make any repairs and improvements, to do any other act or thing required of Tenant or necessary and proper to be done in the performance and

observance of the agreements, covenants and conditions of this Lease to prevent a termination of this Lease (or to cure any default under this Lease) to the same effect as if the same had been made, done, and performed by Tenant instead of by Leasehold Mortgagee.

(b) Leasehold Mortgagee's Right to Cure. Notwithstanding anything stated to the contrary in this Lease, Landlord shall have no right to terminate this Lease because of a default or breach hereunder on the part of Tenant until and unless:

(i) written notice of any such default or breach has been delivered to Leasehold Mortgagee in accordance with the provisions of Section 12.5.1(a) above,

(ii) with respect to a default or breach that is curable solely by the payment of money, Leasehold Mortgagee and Tenant have failed to cure such default or breach within sixty (60) days from the date of the written notice of default from City to Tenant with a copy to Leasehold Mortgagee, and

(iii) with respect to a default or breach that is not curable solely by the payment of money, Leasehold Mortgagee and Tenant has failed to cure such default or breach within ninety (90) days from the date of the written notice of default from City to Tenant with a copy to Leasehold Mortgagee or, if such default or breach is curable but cannot be cured within such time period, (A) Leasehold Mortgagee has failed to notify Landlord within such time period that Leasehold Mortgagee intends to cure such default or breach, (B) Leasehold Mortgagee fails to diligently commence to cure such default or breach, or (C) Leasehold Mortgagee fails to diligently prosecute such cure. It is expressly understood and agreed that no Leasehold Mortgagee shall have any obligation hereunder to cure or complete any cure of any breach or default by Tenant hereunder.

If there is more than one Leasehold Mortgagee and Mezzanine Lender at the time of a Tenant default, the cure periods described above shall be concurrent and the then-Leasehold Mortgagees and/or Mezzanine Lenders must have mutually agreed, in writing, as to which Leasehold Mortgagee or Mezzanine Lender will perform the cure if any of them elect to do so.

12.5.2 Landlord's Consents. Landlord hereby consents to, and agrees that any Leasehold Mortgage may contain provisions for any or all of, the following:

(a) An assignment of Tenant's share of the net proceeds from available insurance coverage or from any award or other compensation resulting from a total or partial taking of the Premises by condemnation.

(b) The entry by the Leasehold Mortgagee upon the Premises during business hours, without notice to Landlord or Tenant, to view the condition of the Premises.

(c) A default by Tenant under this Lease being deemed to constitute a default under the Leasehold Mortgage.

(d) An assignment of Tenant's right, if any, to terminate, cancel, modify, change, supplement, alter or amend this Lease, including without limitation Tenant's right under

Section 365(h)(1) of the Federal Bankruptcy Code to elect to treat this Lease as terminated, and an assignment of all of Tenant's other rights under the Federal Bankruptcy Code.

(e) An assignment of any sublease to which the Leasehold Mortgage is subordinated.

(f) The following rights and remedies to be available to the Leasehold Mortgagee upon any default under any Leasehold Mortgage:

(i) The foreclosure of the Leasehold Mortgage pursuant to a power of sale, by judicial proceedings or other lawful means and the transfer of the leasehold estate hereunder to the purchaser at the foreclosure sale, or the transfer to the Leasehold Mortgagee or its nominee or designee of the Leasehold Estate through assignment in lieu of foreclosure, and a subsequent sale or sublease of the leasehold estate hereunder by such purchaser if the purchaser is the Leasehold Mortgagee or its nominee or designee or by such transferee in connection with any assignment in lieu of foreclosure.

(ii) The appointment of a receiver, irrespective of whether the Leasehold Mortgagee accelerates the maturity of all indebtedness secured by the Leasehold Mortgage.

(iii) The right of the Leasehold Mortgagee or the receiver appointed under subsection (ii) above to enter and take possession of the Premises, to manage and operate the same in compliance with the terms and conditions of this Lease, to collect the subrentals, issues and profits therefrom and any other income generated by the Premises or the operation thereof and to cure any default under the Leasehold Mortgage or any default by Tenant under this Lease.

(iv) An assignment of Tenant's right, title and interest under this Lease in and to any deposit of cash, securities or other property which may be held to secure the performance of covenants, conditions and agreements contained in this Lease, in the premiums for or dividends upon any insurance provided for the benefit of any Leasehold Mortgagee or required by the terms of this Lease, as well as in all refunds or rebates of taxes or assessments upon or other charges against the Premises, whether paid or to be paid.

12.5.3 No Voluntary Surrender; Subordination; Modification.

(a) Without the written consent of all Leasehold Mortgagees, Landlord agrees not to accept a voluntary surrender of this Lease at any time while the Leasehold Mortgage of any Leasehold Mortgagee shall remain a lien on the leasehold estate hereunder. Landlord and Tenant further agree for the benefit of each Leasehold Mortgagee that, so long as any such Leasehold Mortgage remains a lien on the Leasehold Estate, Landlord and Tenant will not subordinate this Lease, or any new lease entered into pursuant to Section 12.5.10 below, to any mortgage or deed of trust that may hereafter be placed on Landlord's reversionary fee interest in the Premises, without securing the prior written consent of such Leasehold Mortgagee.

(b) If it becomes necessary for any reason to modify or supplement this Lease in any respect whatsoever, and the Leasehold Mortgagee having the most senior lien consents in writing to such modification or supplement, then Landlord shall obtain the express written consent thereto of the holder of any mortgage or deed of trust then encumbering Landlord's

reversionary fee interest in the Premises and an express written subordination of such fee mortgage or deed of trust to this Lease as so modified or supplemented, which subordination shall be in recordable form and otherwise acceptable to such senior Leasehold Mortgagee and shall be recorded concurrently with the modification or supplement (or memorandum thereof, as the case may be).

12.5.4 Permitted Transfers Relating to a Leasehold Mortgage.

(a) Notwithstanding anything stated to the contrary in this Lease, the following transfers shall be permitted and shall not require the approval or consent of Landlord:

(i) A transfer of the leasehold estate created under this Lease at foreclosure sale under the Leasehold Mortgage, whether pursuant to the power of sale contained therein or a judicial foreclosure decree, or by an assignment in lieu of foreclosure, or

(ii) Any subsequent transfer by the Leasehold Mortgagee or its nominee or designee if the Leasehold Mortgagee, or such nominee or designee, is the purchaser at such foreclosure sale or under such assignment in lieu of foreclosure.

(b) Any transferee arising from any transfer permitted under clause (a) above shall be liable to perform the obligations of Tenant under this Lease only so long as such transferee holds title to the Leasehold Estate, provided that upon any conveyance of title, such transferee's transferee expressly assumes and agrees to perform all of the obligations of this Lease first arising after the date of such conveyance and remedying any breaches of, or defaults under this Lease that are existing and continuing from and after the date of such transfer to the extent the same are curable.

(c) Following the transfer, if any, described in Section 12.5.4(a)(i) above, all Uncurable Events of Default existing under the Lease prior to such transfer shall be deemed waived without further notice or action of any party.

12.5.5 Notices of Defaults. Upon and immediately after the recording of a Leasehold Mortgage, Landlord, at Landlord's expense, may cause to be recorded in the Official Records, a written request duly executed and acknowledged by Landlord for a copy of any notice of default and of any notice of sale under the Leasehold Mortgage as provided by the statutes of the State of California.

12.5.6 No Merger. If title to Landlord's estate and to Tenant's estate is acquired by the same Person, other than as a result of termination of this Lease, no merger shall occur if the effect of such merger would extinguish or in any way impair the lien of any Leasehold Mortgage.

12.5.7 Waiver of Subrogation. Any policy of hazard insurance for the Premises procured by Landlord shall contain an endorsement waiving the insurer's right of subrogation as against the Leasehold Mortgagee and Tenant, acknowledging that Landlord shall have no obligation to carry any such policy.

12.5.8 Amendments. If, in connection with any financing or refinancing of the leasehold estate hereunder by Tenant, any Leasehold Mortgagee requests any changes or additions to this Lease, Landlord and Tenant shall amend this Lease to include such changes or additions, provided that such changes or additions do not violate any of the terms and conditions set forth in the other Project Documents (as defined in Section 22 below), do not materially impair Landlord's rights under this Lease, materially increase Landlord's obligations under this Lease, materially decrease Tenant's obligations under this Lease; or materially decrease the value of this Lease or of Landlord's reversionary fee interest under this Lease. Notwithstanding anything to the contrary contained in this Lease, this Lease shall not be amended or modified without the written consent of all Leasehold Mortgagees.

12.5.9 Non-Disturbance of Subleases. Upon any termination of this Lease for any reason whatsoever, neither Landlord nor any mortgagee of the Landlord's revisionary fee interest in the Premises shall disturb the possession of any sublessee under any Permitted Sublease.

12.5.10 New Lease to Leasehold Mortgagee. If this Lease is terminated for any reason (including, without limitation, Tenant's default hereunder), then any Leasehold Mortgagee may elect to demand a new lease of the Premises by written notice to Landlord within thirty (30) days after such termination. Upon any such election, the following provisions shall apply:

(a) The new lease shall be for the remainder of the term of this Lease, effective on the date of termination, at the same Rent and shall contain all of the same covenants, agreements, conditions, provisions, restrictions, and limitations as are then contained in this Lease. Such new lease shall be subject to all existing Permitted Subleases.

(b) Landlord will execute the new lease within either ten (10) business days after receipt by Landlord of written notice of the Leasehold Mortgagee's or such other acquiring Person's election to enter into a new lease.

(c) If Tenant refuses to surrender possession of the Premises, Landlord shall, at the request of the Leasehold Mortgagee or such other acquiring Person, institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove Tenant and all subtenants or other occupants actually occupying the Premises or any part thereof who are not authorized to remain in possession hereunder. Any such action taken by Landlord at the request of the Leasehold Mortgagee or such other acquiring Person shall be at the Leasehold Mortgagee's or such other acquiring Person's sole expense.

12.5.11 Rights of Mezzanine Lender and Leasehold Mortgagee; Rights for Subleasehold Mortgagees. Any Mezzanine Lender that makes a loan to Tenant, or to any entity holding an interest in Tenant, directly or indirectly, that is secured by a pledge of equity interests in Tenant, directly or indirectly, shall be entitled to all of the rights and remedies under this Section 12.5 that are afforded to a Leasehold Mortgagee under this Lease, including, without limitation, the transfer (as provided for in Section 12.5.4 hereof for Leasehold Mortgagees) without Landlord's consent of any equity interest in Tenant (or in in any entity holding an indirect interest in Tenant) pursuant to a UCC sale, an assignment in lieu of sale, or otherwise, the granting to any Mezzanine Lender of a new lease under the terms of Section 12.5.10 hereof, the receipt of all notices to which any Leasehold Mortgagee is entitled hereunder (provided that Landlord has

received prior written notice of the name and contact information for that Mezzanine Lender and the nature of its interest in the Tenant's equity interests) and the need to obtain Mezzanine Lender's consent for those items for which a Leasehold Mortgagee's consent is required under this Section 12.5, provided, however, that such rights and remedies shall be subject and subordinate to the rights of any Leasehold Mortgagee, and shall not impair any of the rights and remedies afforded any Leasehold Mortgagee, hereunder. In addition, all leasehold mortgagees holding a leasehold mortgage on the leasehold estate created by any Permitted Sublease or sublease consented to by City entered into by Tenant, as sublandlord, and a tenant, as subtenant, shall also be entitled to all of the rights and remedies under this Section 12.5 that are afforded to a Leasehold Mortgagee under this Lease; provided, however, that such rights and remedies shall be subject and subordinate to the rights of any Leasehold Mortgagee, and shall not impair any of the rights and remedies afforded any Leasehold Mortgagee, hereunder.

13. DEFAULT PROVISIONS.

13.1 Defaults. Each of the following events shall be a default by Tenant and a breach of this Lease (each, an "**Event of Default**"):

(a) Tenant fails to pay Rent or any other charges on the date the same are due and payable, and such failure continues for ten (10) business days following receipt by Tenant of written notice from Landlord of such failure (a "**Monetary Default**"); and

(b) Tenant fails to perform any material term, covenant, or condition under this Lease (other than as described elsewhere in this Section 13.1) on the date the same is required under this Lease, and such failure continues for thirty (30) days following receipt by Tenant of written notice from Landlord of such failure, provided that if (i) such failure is not reasonably susceptible to cure within thirty (30) days, (ii) but is reasonably susceptible to cure over a longer period of time, then such thirty (30) day period shall be extended to such date as may be reasonably necessary to permit Tenant to cure such failure provided Tenant promptly commences to cure such default (unless it is prevented from doing so by Applicable Laws) within the initial thirty (30) day period and diligently prosecutes the cure to completion.

(c) Subject to the provisions of Section 13.2.1(d) below, a Bankruptcy Event occurs with respect to Tenant (an "**Uncurable Event of Default**").

13.2 Landlord's Remedies.

13.2.1 Upon the occurrence of an Event of Default, Landlord shall have the following rights and remedies:

(a) The right to terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises, and pay to Landlord all Rent (if applicable), and other charges and amounts due from Tenant hereunder to the date of termination; provided, however, the right to terminate this Lease with respect to a Monetary Default shall only be available to Landlord if, after expiration of the initial ten (10) business day cure period set forth in Section 13.1(a), Landlord shall have sent to Tenant a notice requesting payment which states: "FAILURE TO MAKE A PAYMENT PURSUANT TO THIS NOTICE MAY RESULT IN TERMINATION

OF THE GROUND LEASE AT 530 SANSOME STREET, SAN FRANCISCO, CA,” and Tenant shall thereafter fail to make such payment within ten (10) business days of such second notice.

(b) The rights and remedies described in California Civil Code Section 1951.2 or any other applicable existing or future Applicable Laws providing for recovery of damages for a breach, pursuant to which Landlord may recover from Tenant upon a termination of this Lease, (1) the worth at the time of award of any unpaid Rent which had been earned at the time of termination, together with interest at the Default Rate, on those amounts from the date the Rent is due and payable until the date of the award of damages; (2) 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; (3) the worth at the time of the award of the amount by which the Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided and (4) 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 events would be likely to result therefrom. The “worth at the time of award” of the amounts referred to in (1) and (2) above is computed by allowing interest at the rate of three percent (3%) per annum. The “worth at the time of award” of the amount referred to in (3) above 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%).

(c) The rights and remedies described in California Civil Code Section 1951.4 that allow Landlord, after Tenant’s breach and abandonment, to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as Landlord does not terminate Tenant’s right to possession. Acts of maintenance or preservation, efforts to relet the Premises or the appointment of a receiver upon Landlord’s initiative to protect its interest under this Lease shall not constitute a termination of Tenant’s right to possession.

(d) Upon the occurrence of an Uncurable Event of Default, this Lease shall, at the option of Landlord, be terminated upon the thirtieth (30th) day following Landlord’s written notice to Tenant that this Lease is being terminated, and following the date of such termination, neither Tenant nor any Person claiming through or under Tenant by virtue of any statute or of any order of any court, shall be entitled to possession or to remain in possession of the Premises or any part thereof, but shall immediately quit and surrender the Premises and pay all Rent owed to Landlord for the period occurring before such termination. Notwithstanding the foregoing, if any bankruptcy or insolvency petition shall be filed against Tenant or any such Bankruptcy Event shall be taken involuntarily against Tenant, and Tenant shall promptly thereafter commence and diligently prosecute any and all proceedings and actions necessary to secure the dismissal of any such petition or the restoration of Tenant to the possession of its assets, and such petition shall be dismissed or Tenant be restored to the possession of its assets within one hundred eighty (180) days after the filing of the aforesaid involuntary petition or the taking of the aforesaid action, Landlord shall not be entitled to cancel and terminate this Lease by reason of the filing of the aforesaid involuntary petition so dismissed or by reason of the removal from possession of its assets to which it shall be so restored, provided Tenant shall within the aforesaid one hundred eighty (180) days pay all the Rent required to be paid by Tenant under the terms of this Lease

which have accrued during the aforesaid period (together with any late charges and interest thereon that may be due and payable pursuant to this Lease).

13.3 Rights Cumulative. The various rights and remedies reserved to Landlord herein, including those not specifically described herein, shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity and the exercise of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity shall not preclude the simultaneous or later exercise by Landlord of any or all other rights and remedies.

13.4 Waiver of Redemption. Except as expressly provided in Section 12.5.10, Tenant hereby waives, for itself and all Persons claiming by and under Tenant, all rights and privileges that it might have under any Applicable Laws to redeem the Premises or to continue this Lease after being dispossessed or ejected from the Premises.

13.5 Landlord's Right to Perform Tenant's Covenants.

13.5.1 If Tenant shall at any time fail to pay any Imposition in accordance with the provisions of Section 4, or to take out, pay for, maintain and deliver any of the insurance policies provided for in Section 6, or to make any other payment or perform any other act on its part required to be made or performed in accordance with any terms of this Lease, then Landlord, after ten (10) business days' notice to Tenant and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may, but shall be under no obligation to:

(a) pay any Imposition payable by Tenant pursuant to the provisions of Section 4, or

(b) take out, pay for and maintain any of the insurance policies provided for in Section 6, or

(c) make any other payment or perform any other act on Tenant's part to be made or performed as in this Lease provided, and enter upon the Premises for any such purpose, and take all such action thereon, as may be necessary therefor.

13.5.2 All sums paid by Landlord, and all out of pocket costs and expenses, including reasonable attorney's fees, incurred by Landlord, in connection with the performance of any act permitted under this Section 13.5, together with interest thereon at the Default Interest Rate from the respective dates of Landlord's making of each such payment or incurring of each such cost and expense, shall be paid by Tenant to Landlord within five (5) Business Days of demand. Tenant's obligations under this Section will survive the expiration or termination of this Lease.

13.6 Other Remedies. In addition to the other remedies expressly set forth in this Lease, upon an Event of Default, Landlord shall have such other remedies as may be available under Applicable Laws.

13.7 Notice to Leasehold Mortgagee. If Landlord shall give any notice, demand, election or other communication required under this Article 13 to Tenant, provided that Landlord has received written notice of any Leasehold Mortgage or any Mezzanine Loan, Landlord shall

concurrently give a copy of each such notice to any Leasehold Mortgagee or Mezzanine Lender at the address designated by the Leasehold Mortgagee or Mezzanine Lender, as applicable.

13.8 INDEMNIFICATION OF LANDLORD.

13.8.1 Tenant shall indemnify and save harmless Landlord and its officers and employees (collectively, “**Indemnified Parties**”), against and from any and all claims, demands, causes of action, suits, judgments, losses, damages, injuries (including death), liabilities, penalties, enforcement actions, liens, fines, settlements, encumbrances, costs or expenses (including, without limitation, vicarious liability of every kind and reasonable attorneys’ and experts’ fees) (“**Claims**”) by or on behalf of any Person or Persons arising during the Term (including without limitation Claims for bodily injury, death and property damage) to the extent arising from: (i) the use, any condition, occupancy, maintenance, repair, operation, management and/or construction of or on the Premises (but expressly excluding any Claims arising from the condition of the Premises prior to the Commencement Date), unless such Claim is based on the active gross negligence, violation of law, or willful misconduct of the Indemnified Parties or of a licensee of Landlord or an Affiliate on the Premises without consent of Tenant, (ii) any breach or default on the part of Tenant in the performance or observance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or (iii) any act or omission (where there was a duty to act) of Tenant, or any of its agents, contractors, representatives, employees or licensees, or arising from any accident, injury, death or damage whatsoever caused to or by any Person and occurring in or about the Premises, unless such Claim is based on a licensee of Landlord or an Affiliate on the Premises without consent of Tenant. Tenant shall also indemnify and save harmless Landlord against and from any and all reasonable, out-of-pocket expenses (including court costs and reasonable attorneys’ fees) incurred on account of any such Claim for which Tenant is responsible under the preceding clauses (i) through (iii). In case any action or proceeding is brought against Landlord by reason of any such Claim, Tenant, upon notice from Landlord, shall defend such action or proceeding by counsel approved by Landlord in writing, such approval not to be unreasonably withheld, conditioned, or delayed, but no approval of counsel shall be required in each and every instance where the Claim is defended by counsel of an insurance carrier obligated to defend such Claim. Should any Claim be made against Landlord or an action or proceeding be brought against it as set forth in this Section, Landlord shall give Tenant prompt written notice thereof so as to enable Tenant to defend such Claim, action or proceeding. Provided that Tenant is defending an action or proceeding in accordance with this Section, Landlord shall not enter into any settlement of such action or proceeding without the approval of Tenant, which approval may be given or withheld in Tenant’s sole discretion. Tenant expressly acknowledges that Tenant has an immediate and independent obligation to defend Landlord from any Claim that actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, which obligation arises at the time the Claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant’s obligations under this Section will survive the expiration or termination of this Lease.

13.8.2 Notwithstanding anything contained in this Lease to the contrary, under no circumstances shall either Party be liable under this Lease for, and each Party hereby waives any claims for, any speculative, consequential, or punitive damages or lost profits, and each Party shall only be liable for claims relating to actual damages.

14. SURRENDER OF PREMISES.

Upon the expiration or termination of this Lease, Tenant's right to possession of the Premises under this Lease shall cease, and it shall be lawful for Landlord to re-enter and repossess the Premises and any improvements thereon, including by process of law if necessary. Upon such expiration of this Lease, the Improvements shall become and be the property of Landlord free of any claim or interest therein on the part of Tenant. Upon the expiration or termination of this Lease, Tenant shall surrender all keys for the Premises and exclusive possession of the Premises to Landlord broom clean and in good condition and repair, reasonable wear and tear excepted (and casualty damage excepted). Tenant shall surrender the Land and Improvements free and clear of all liens and encumbrances, except for encumbrances created by Landlord. Immediately before the expiration or other termination of this Lease, Tenant will remove all of Tenant's personal property as provided in this Lease, and repair any damage resulting from the removal; provided, in Landlord's sole discretion, Landlord may reserve ownership of any items installed or attached to the Improvements, including, but not limited to, telecommunications equipment, wire, cabling, and/or conduit installed in the Premises. If any damage to the Premises or the Building is caused by such removal, or if Tenant fails to repair, Landlord may do so at Tenant's expense. At Landlord's option, any items of Tenant's personal property remaining in the Premises after the expiration or sooner termination of this Lease may be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Applicable Laws. Concurrently with the surrender of the Premises, if requested by Landlord, Tenant will execute, acknowledge, and deliver to Landlord a quitclaim deed to the Premises and any other instrument reasonably requested by Landlord to evidence the termination of Tenant's leasehold estate and to document the transfer or vesting of title to the Improvements or equipment that remain part of the Premises. Tenant's obligations under this Section will survive the expiration or sooner termination of this Lease

15. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of California (without reference to conflicts of laws principles).

16. CAPTIONS, NUMBERINGS AND HEADINGS. Captions, numberings and headings of Articles, Sections and Exhibits in this Lease are for convenience of reference only and shall not be considered in the interpretation of this Lease.

17. NUMBER; GENDER. Whenever required by the context, the singular shall include the plural, the neuter gender shall include the male gender and female gender, and vice versa.

18. BUSINESS DAY. If the date for performance of any obligation under this Lease falls on other than a business day, then such obligation shall be performed on the next succeeding business day, and "business day" shall mean any day other than a Saturday, Sunday or any other day on which federal government offices in San Francisco are closed.

19. COUNTERPARTS. This Lease may be executed in multiple counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement.

20. SEVERABILITY. If one or more of the provisions of this Lease shall be held to be illegal, invalid or unenforceable, each such provision shall be deemed severable and the remaining provisions of this Lease shall continue in full force and effect.

21. ENTIRE AGREEMENT. This Lease, including its attached exhibits, which are made a part of this Lease by this reference, the CPEA, as amended, the Construction Management Agreement and the REA (collectively, the “**Project Documents**”) contain the entire agreement between the parties regarding the Premises and the Combined Project and all prior written or oral negotiations, understandings, and agreements are merged into this Lease and the Project Documents. The parties intend that the Project Documents constitute the complete and exclusive statement of their terms and no extrinsic evidence whatsoever (including prior drafts and changes) may be introduced in any judicial, administrative, or other legal proceeding involving the Project Documents.

22. NO ORAL MODIFICATIONS OR WAIVERS. No modification of this Lease shall be valid or effective unless the same is in writing and signed by Landlord and Tenant (and any Leasehold Mortgagee, if applicable). No purported waiver of any of the provisions of this Lease shall be valid or effective unless the same is in writing and signed by the Party against whom it is sought to be enforced.

23. EXHIBITS. All Exhibits referenced in this Lease are incorporated by this reference as if fully set forth in this Lease.

24. INCLUDING. The word “including,” and variations thereof, shall mean “including without limitation.”

25. QUIET ENJOYMENT. If and so long as Tenant shall pay the Rent and all other charges agreed to be paid by Tenant, and shall perform and observe all the covenants and conditions herein contained on the part of Tenant to be performed and observed, Tenant shall quietly enjoy the Premises, without the claims of any Person claiming by, through, or under Landlord, subject to the terms and conditions of this Lease. Any permitted transfer or encumbrance by Landlord of its interest in the Premises shall be subject to the terms and conditions of this Lease.

26. NOTICES. Any notices, approvals, requests or demands required to be given, delivered or served or which may be given, delivered, or served under or by the terms and provisions of this Lease, shall be in writing and shall be deemed to have been duly given, delivered or served only if and when (i) delivered by hand to the addressee, (ii) sent by nationally known overnight courier service, or (iii) sent by registered or certified mail, postage prepaid, and deposited at any United States Post Office. Such notices shall be delivered or sent to the addresses set forth below or to any other address as may hereafter be furnished in writing in like manner. The date of hand delivery, the date of delivery or refusal of delivery by the overnight courier or the date of mailing according to the postmark on the wrapper shall be deemed to be the date of service.

Landlord:

Real Estate Division
The City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Re: 530 Sansome Ground Lease
Telephone No. (415) 554-9860
Email Address: Andrico.penick@sfgov.org

with a copy to:

Office of the City Attorney
City Hall,
1 Dr. Carlton B. Goodlett Place, Room 234
San Francisco, CA 94102-4682
Attn: Real Estate & Finance Team
Re: 530 Sansome Ground Lease
Telephone No. (415) 554-4711
Email Address: charles.sullivan@sfcityatty.org

Tenant:

EQX Jackson SQ Holdco LLC
44 Montgomery Street, Suite 1300
San Francisco, CA 94104
Attn: Jonathan Shum
Telephone No. (415) 677-9000
Email Address: jshum@related.com

with a copies to:

Greenberg Traurig LLP
18565 Jamboree Road, Suite 500
Irvine, California 92612
Attention: L. Bruce Fischer, Esq.
Telephone No.: (949) 732-6670
Email Address: fischerb@gtlaw.com

The Related Companies, L.P.
30 Hudson Yards, 72nd Floor
New York, New York 10001
Attention: Richard O'Toole
Telephone No.: (212) 801-3952
Email Address: rotoole@related.com

27. ESTOPPEL CERTIFICATES. Tenant agrees at any time and from time to time upon not less than ten (10) business days prior written request by Landlord, to execute, acknowledge and deliver to Landlord an estoppel certificate in the form of that attached hereto as Exhibit D-1, and Landlord agrees at any time and from time to time upon not less than ten (10) business days prior written request by Tenant or any prospective or actual Leasehold Mortgagee or Mezzanine Lender, to execute, acknowledge and deliver to Tenant, Leasehold Mortgagee or Mezzanine Lender, as applicable, an estoppel certificate in the form of that attached hereto as Exhibit D-2. Any statement delivered pursuant to this Section 28 may be relied upon by Landlord, Tenant, any Leasehold Mortgagee or any Mezzanine Lender, as applicable, and any Person that has or may acquire an interest in the Premises, Leasehold Estate, Tenant or Landlord; provided, however, the Party providing the estoppel certificate (“**Responding Party**”) shall not be estopped from later asserting there is a default by the other Party if the Responding Party first becomes aware of that default after providing the estoppel certificate.

28. NO MERGER OF ESTATES. The fee title of Landlord and the Leasehold Estate shall at all times be separate, and shall in no event be merged, notwithstanding the fact that this Lease or the Leasehold Estate may be held directly or indirectly by or for the account of any Person who shall own the fee estate in the Premises. No such merger of estates shall occur by operation of law, or otherwise, unless and until all Persons at the time having any interest in the fee estate and all Persons having any interest in the Leasehold Estate, including any Leasehold Mortgagee or Mezzanine Lender, shall join in the execution of a written instrument effecting such merger of estates.

29. MEMORANDUM OF LEASE. This Lease shall not be recorded in the Official Records. Concurrently with the execution of this Lease, Landlord and Tenant have executed a memorandum of this Lease in the form attached hereto as **Exhibit C** that Tenant shall record in the Official Records.

30. TIME OF ESSENCE. Time is of the essence with respect to the performance by Landlord and Tenant of all obligations, and the exercise by Landlord and Tenant of all rights, powers and options, under this Lease.

31. NO PARTNERSHIP. It is agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership, joint venture, unincorporated association or other similar relationship between Landlord and Tenant, or cause Landlord to be responsible in any way for the debts or obligations of Tenant. Neither the method of computing rent nor any other provision contained in this Lease, nor any acts of the parties hereto, shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

32. CONFIDENTIALITY.

32.1 Tenant understands and agrees that under the City's Sunshine Ordinance (S.F. Admin. Code, Chapter 67) and the State Public Records Law (Cal. Gov. Code §§ 6250 et seq.), this Lease and any and all records, information, and materials submitted to Landlord under this Lease are public records subject to public disclosure. Tenant hereby acknowledges that Landlord will disclose any records, information, and materials submitted to the City in connection with this Lease as required by Applicable Laws. If Tenant reasonably believes that any information or material furnished to Landlord connection with this Lease is not subject to disclosure under Applicable Laws, then Tenant will inform Landlord of its reasonable belief in writing and label each piece of information or material as "confidential," in which case Landlord will determine if such information or material is required to be disclosed under Applicable Law. If Landlord confirms that such information or material is not required to be disclosed, then Landlord will keep and maintain such information or material confidential. If there is a request that would cause Landlord to release such information and materials, Landlord will give Tenant fifteen (15) days' notice to allow Tenant to obtain a protective order. If Tenant does not obtain such an order, then Landlord will release such information and material. Confidential information shall also not include information and material which (x) becomes generally available to the public other than as a result of a disclosure prohibited by this Section 33, (y) is known to Landlord or Tenant, as the case may be, on a non-confidential basis, prior to its receipt of such information and material from the other, or (z) becomes available to Landlord or Tenant, as the case may be, on a non-confidential basis from a source other than one which is prohibited from disclosing the same hereunder.

32.2 Notwithstanding Section 33.1, (i) each of Landlord and Tenant may disclose confidential information to its representatives, employees, contractors, consultants, advisors, attorneys, prospective investors and prospective lenders, and prospective tenants ("**Related Parties**"), in each case on a need-to-know basis after the Related Parties have been informed of the confidential nature of such information and directed not to disclose such information except in accordance with this Section 33.2, (ii) each of Landlord and Tenant may disclose confidential information to the extent required by Applicable Laws or legal process or the rules of any securities exchange on which its shares are traded, (iii) a memorandum of this Lease may be recorded

pursuant to Section 30, and (iv) each of Landlord and Tenant shall have the right without the consent of the other to (A) make any disclosures in filings required by the Securities and Exchange Commission, and (B) make customary disclosures in earnings releases, on investor/earnings conference calls and in investor meetings.

33. VENUE. Each Party consents to the jurisdiction of any court in San Francisco County, California for any action arising out of matters related to this Lease. Each Party waives the right to commence an action in connection with this Lease in any court outside of San Francisco County, California.

34. BINDING EFFECT. The rights and obligations under this Lease shall be binding upon, and inure to the benefit of, Landlord and Tenant and their respective permitted successors and assigns; provided, however, that on any sale, assignment, or transfer by Landlord (or by any subsequent landlord) of its Fee Estate, including any transfer by operation of law, Landlord (or any subsequent landlord) will be relieved from all obligations and liabilities arising under this Lease first arising after such sale, assignment, or transfer.

[No Further Text on this Page; Signature Pages Follow]

IN WITNESS WHEREOF, as of the date first written above, Landlord and Tenant have executed this Lease.

LANDLORD:

THE CITY AND COUNTY OF SAN FRANCISCO

By: _____
Name: Andrico Q. Penick
Title: Director of Property

Date: _____

APPROVED AS TO FORM

_____,
City Attorney

By: _____
Deputy City Attorney

TENANT:

EQX JACKSON SQ HOLDCO, LLC,
a Delaware limited liability company

By: _____
Name: Jonathan Shum
Title: Authorized Signatory

EXHIBIT A

Description of the Land

EXHIBIT B

City Requirements

1. First Source Hiring Agreement. Chapter 83 of the San Francisco Administrative Code requires that Tenant enter into a first source hiring agreement on or before the Commencement Date. Accordingly, Tenant and Landlord are parties to the First Source Agreement attached to this Lease as Attachment B-1 to this Exhibit B under San Francisco Administrative Code, Chapter 83 (the “**First Source Agreement**”). Any default by Tenant under the First Source Agreement will be a default under this Lease.

2. Local Hiring Requirements.

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.62 (the “**Local Hiring Requirements**”). All Improvements and alterations, installations, additions, or improvements, structural or otherwise to any Improvements (“**Alterations**”) are subject to the Local Hiring Requirements unless the cost for the work is (i) estimated to be less than \$750,000 per building permit or (ii) meets any of the other exemptions in the Local Hiring Requirements. Tenant will comply with the Local Hiring Requirements to the extent applicable. Before starting any construction and installation of Improvement or any Alterations, Tenant will contact Landlord’s Office of Economic Workforce and Development (“**OEWD**”) to verify if the Local Hiring Requirements apply to the work (i.e., whether the work is a “Covered Project”).

(b) In any contract for a Covered Project, Tenant will include, and will require its subtenants to include, a requirement to comply with the Local Hiring Requirements with specific reference to San Francisco Administrative Code Section 23.62. Each contract will name the City and County of San Francisco as a third party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Tenant will cooperate, and require its subtenants to cooperate, with Landlord in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Tenant’s failure to comply with its obligations under this Section will constitute a material breach of this Lease. A contractor’s or subcontractor’s failure to comply with this Section will enable Landlord to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

3. Prevailing Wages and Working Conditions.

(a) Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. Tenant will require its Contractors and Subcontractors performing (i) labor in connection with a “public work” as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or (ii) Covered Construction, at the Premises to (A) pay workers performing that work not less than the Prevailing Rate of Wages, (B) provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and (C) employ Apprentices in accordance with San

Francisco Administrative Code Section 23.61 (collectively, “**Prevailing Wage Requirements**”). Tenant will cooperate with Landlord in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

(b) Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier), to include in any Construction Contract the Prevailing Wage Requirements, with specific reference to San Francisco Administrative Code Section 23.61, and the agreement to cooperate in Landlord enforcement actions. Each Construction Contract will name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant’s failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor’s or Subcontractor’s failure to comply with this Section will enable Landlord to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, see www.sfgov.org/olse or call Landlord’s Office of Labor Standards Enforcement at 415-554-6235.

(c) Tenant will also pay, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to pay, the Prevailing Rate of Wage for the following activities on the Premises as set forth in and to the extent required by San Francisco Administrative Code Chapter 21C: a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 21C.3), a Show (as defined in Section 21C.4), a Special Event (as defined in Section 21C.8), Broadcast Services (as defined in Section 21C.9), Commercial Vehicles, Loading and Unloading for Shows and Special Events (as defined in Section 21C.10), and Security Guard Services for Events (as defined in Section 21C.11).

4. Prevailing Wages for Certain Uses.

(a) Tenant will pay, and will require its subtenants, and contractors and subcontractors (regardless of tier) to pay, prevailing wages, including fringe benefits or the matching equivalents, to persons performing services for the following activity on the Premises as set forth in and to the extent required by San Francisco Administrative Code Chapter 21C: a Public Off-Street Parking Lot, Garage or Automobile Storage Facility (as defined in Section 21C.3), a Show (as defined in Section 21C.4), a Trade Show and Special Event (as defined in Section 21C.8), and Broadcast Services (as defined in Section 21C.9), Commercial Vehicles, Loading and Unloading for Shows and Special Events (as defined in Section 21C.10), and Security Guard Services for Events (as defined in Section 21C.11).

(b) If Tenant, or its subtenants, contractors, and subcontractors fail to comply with the applicable obligations in San Francisco Administrative Code Chapter 21C, Landlord will have all available remedies set forth in Chapter 21C and the remedies set forth in this Lease. Landlord’s may inspect and/or audit any workplace, job site, books, and records pertaining to the Landlord services and may interview any individual who provides, or has provided, those services. Promptly after Landlord’s request, Tenant will provide to Landlord (and to require any subtenant, contractor, or subcontractor who maintains the records to provide to Landlord)

immediate access to all workers' time sheets, payroll records, and paychecks for inspection to the extent they relate to those services.

- The types of covered services related to a Show includes individuals engaged in theatrical or technical services, including rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services.
- The types of covered services related to a Special Event includes individuals engaged in on-site installation, set-up, assembly, and dismantling of temporary exhibits, displays, booths, modular systems, signage, drapery, specialty furniture, floor coverings, and decorative materials in connection with trade shows, conventions, expositions, and other special events on Landlord property.
- The types of covered services related to Broadcast Services includes individuals engaged in the electronic capture and/or live transmission of on-site video, digital, and/or video content for commercial purposes through the use of a remote production or satellite trust on-site, including any technical director, video controller, assistant director, and stage manager, and individuals engaged in audio, camera, capture and playback, graphics, and utility functions.

If Tenant has any questions about the applicability or implementation of the requirements of this Section, Tenant should contact the San Francisco Director of Property ("Director of Property") in advance.

5. Non-Discrimination in Landlord Contracts and Benefits Ordinance.

(a) In the performance of this Lease, Tenant will not discriminate against any employee, any Landlord employee working with Tenant, or applicant for employment with Tenant, 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 protected classes, or in retaliation for opposition to discrimination against protected classes.

(b) Tenant will include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to the Subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Tenant will incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and require all subtenants and other subcontractors to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

(c) Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco, on real property owned by Landlord, or where the work is being performed for Landlord 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 under the Legal Requirements authorizing that registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) As a condition to this Lease, Tenant will execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division. Tenant represents that before execution of this Lease, (i) Tenant executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) the CMD approved the form.

(e) The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of Landlord property are incorporated in this Section by reference and made a part of this Lease as though fully set forth in this Lease. Tenant will comply fully with and be bound by all of the provisions that apply to this Lease under those Chapters of the Administrative Code, including the remedies provided in those Chapters. Without limiting the foregoing, Tenant understands that under Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which the person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

6. Non-Liability of Officials, Employees, and Agents. No elected or appointed board, commission, member, officer, employee, or other agent of Landlord will be personally liable to Tenant or its successors and assigns for any Landlord default or breach or for any amount that may become due to Tenant or its successors and assigns, or for any Landlord obligation under this Lease.

7. Public Transit Information. At its sole expense, Tenant will establish and carry on during the term of this Lease a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including the distribution of written materials to personnel explaining the convenience and availability of public transportation facilities adjacent or near the Premises and encouraging use of them.

8. Taxes, Assessments, Licenses, Permit Fees, and Liens.

(a) Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and Tenant may be subject to the payment of property taxes levied on its possessory interest.

(b) Tenant will pay taxes of any kind, including possessory interest taxes, lawfully assessed on the leasehold interest created by this Lease, and to pay all other taxes, excises, licenses, permit charges, and assessments based on Tenant’s use of the Premises and imposed on

Tenant by Legal Requirements, all of which will be paid when they become due and payable and before delinquency.

(c) Tenant will not allow or suffer a lien for any taxes to be imposed on the Premises or on any equipment or property located in the Premises without promptly discharging the lien, provided that Tenant, if it desires, may have reasonable opportunity to contest the validity of the same.

(d) San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublease, or other transfer of this Lease be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Tenant must provide a copy of this Lease to the San Francisco County Assessor not later than sixty (60) days after the Commencement Date, and any failure of Tenant to timely provide a copy of this Lease to the County Assessor will be a default under this Lease. Tenant will also timely provide any information that Landlord may request to ensure compliance with this or any other reporting requirement.

9. No Relocation Assistance; Waiver of Claims. Tenant acknowledges that it will not be a displaced person at the time this Lease is terminated or expires by its own terms, and Tenant fully RELEASES AND DISCHARGES forever any and all Claims against, and covenants not to sue, Landlord, its departments, commissions, officers, directors, and employees, and all persons acting by, through or under each of them, under any Legal Requirements, including any and all claims for relocation benefits or assistance from Landlord under federal and state relocation assistance Legal Requirements (including California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Lease with respect to a Taking.

10. MacBride Principles—Northern Ireland. The provisions of San Francisco Administrative Code Section 12F are incorporated by this reference and made part of this Lease. By signing this Lease, Tenant confirms that Tenant has read and understood that Landlord 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.

11. Tropical Hardwood and Virgin Redwood Ban; Preservative-Treated Wood Containing Arsenic. Landlord urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant will not provide any items to the construction of Tenant Improvements or the Alterations, or otherwise in the performance of this Lease, that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. If Tenant fails to comply with any of the provisions of Chapter 8 of the San Francisco Environment Code, Tenant will be liable for liquidated damages for each violation in any amount equal to Tenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater. Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Lease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the San Francisco Department of Environment.

12. Restrictions on the Use of Pesticides

(a) Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or “**IPM Ordinance**”) describes an integrated pest management (“**IPM**”) policy to be implemented by all Landlord departments. Tenant may not use or apply or allow the use or application of any pesticides on the Premises or contract with any party to provide pest abatement or control services to the Premises without first receiving Landlord’s written approval of an IPM plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term, (ii) describes the steps Tenant will take to meet Landlord’s IPM Policy described in Section 300 of the IPM Ordinance, and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Tenant’s primary IPM contact person with Landlord. Tenant will comply, and will require all of Tenant’s contractors to comply, with the IPM plan approved by Landlord and will comply with the requirements of Sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Tenant were a department of Landlord. Among other matters, the provisions of the IPM Ordinance: (i) provide for the use of pesticides only as a last resort, (ii) prohibit the use or application of pesticides on Landlord property, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by the San Francisco Department of the Environment), (iii) impose certain notice requirements, and (iv) require Tenant to keep certain records and to report to Landlord all pesticide use at the Premises by Tenant’s staff or contractors.

(b) If Tenant or Tenant’s contractor would apply pesticides to outdoor areas at the Premises, Tenant will first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation (“**CDPR**”) and the pesticide application will be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. Landlord’s current Reduced Risk Pesticide List and additional details about pest management on Landlord property can be found at the San Francisco Department of the Environment website, <http://sfenvironment.org/ipm>.

13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors’ bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between Landlord 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.

14. Conflicts of Interest. Through its execution of this Lease, Tenant acknowledges that it is familiar with the provisions of Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, 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, and agrees that if Tenant becomes aware of any violation during the Term, Tenant will immediately notify Landlord.

15. Charter Provisions. This Lease is governed by and subject to the provisions of the San Francisco Charter.

16. Drug-Free Workplace. Tenant acknowledges that under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal Legal Requirements is prohibited on Landlord premises. Any violation of this prohibition by Tenant, its agents, or assigns will be a material breach of this Lease.

17. Prohibition of Tobacco Sales and Advertising. Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Premises. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Tenant acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Premises and such prohibition must be included in all subleases or other agreements allowing use of the Premises. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

18. Prohibition of Alcoholic Beverage Advertising. Except in any portions of the Premises used as a restaurant or other facility where the sale, production or consumption of alcohol is permitted under Applicable Laws, no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" is defined as set forth in California Business and Professions Code Section 23004, and does not include cleaning solutions, medical supplies, and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

19. Requiring Health Benefits for Covered Employees.

(a) Unless exempt, Tenant will comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance ("HCAO"), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as they may be amended from time to time. The provisions of Chapter 12Q are incorporated into this Lease by reference and made a part of this Lease as though fully set forth. The text of the HCAO is available on the web at <http://www.sfgov.org/olse/hcao>. Capitalized terms used in this Section and not defined in this Lease have the meanings assigned to those terms in Chapter 12Q.

(b) For each Covered Employee, Tenant will provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, the

health plan must meet the minimum standards set forth by the San Francisco Health Commission.

(c) Notwithstanding the above, if the Tenant is a small business as defined in Section 12Q.3(e) of the HCAO, it will have no obligation to comply with subsection (a) above.

(d) Tenant's failure to comply with the HCAO will constitute a material breach of this Lease. Landlord may notify Tenant if a breach has occurred. If, within thirty (30) days after receiving Landlord's written notice of a breach of this Lease for violating the HCAO, Tenant fails to cure the breach or, if the breach cannot reasonably be cured within the thirty (30) days period, and Tenant fails to commence efforts to cure within that period, or fails diligently to pursue the cure to completion, then Landlord will have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to Landlord.

(e) Any Subcontract entered into by Tenant will require the Subcontractor to comply with the requirements of the HCAO and contain contractual obligations substantially the same as those set forth in this Section. Tenant will notify the San Francisco Purchasing Department when it enters into a Subcontract and will certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Tenant will be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, Landlord may pursue the remedies set forth in this Section against Tenant based on the Subcontractor's failure to comply, provided that Landlord has first provided Tenant with notice and an opportunity to cure the violation.

(f) Tenant may not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Landlord regarding Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(g) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(h) Tenant will keep itself informed of the current requirements of the HCAO.

(i) Tenant will provide reports to Landlord in accordance with any reporting standards promulgated by Landlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) Tenant will provide Landlord with access to records pertaining to compliance with HCAO after receiving a written request from Landlord to do so and being provided at least five (5) business days to respond.

(k) Landlord may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant will cooperate with Landlord when it conducts the audits.

(1) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000) [Fifty Thousand Dollars (\$50,000) for nonprofits], but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with Landlord to reach Seventy-Five Thousand Dollars (\$75,000), then all the agreements will be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and Landlord to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

20. Notification of Prohibition on Contributions. For the purposes of this Section, a "**City Contractor**" is a party that contracts with, or seeks to contract with, the Landlord for the sale or leasing of any land or building to or from the Landlord whenever such transaction would require the approval by a Landlord elective officer, the board on which that Landlord elective officer serves, or a board on which an appointee of that individual serves. Through its execution of this Lease, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits a City Contractor from making any campaign contribution to (1) the Landlord elective officer, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for that contract or twelve (12) months after the date that contract is approved. Tenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Tenant further acknowledges that (i) the prohibition on contributions applies to Tenant, each member of Tenant's board of directors, Tenant's chief executive officer, chief financial officer and chief operating officer, any person with an ownership interest of more than ten percent (10%) in Tenant, any subcontractor listed in the contract, and any committee that is sponsored or controlled by Tenant, and (ii) within thirty (30) days of the submission of a proposal for the contract, the Landlord department seeking to enter into the contract must notify the Ethics Commission of the parties and any subcontractor to the contract. Additionally, Tenant certifies it has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract to the Landlord, and has provided the names of the persons required to be informed to the Landlord department seeking to enter into that contract within thirty (30) days of submitting its contract proposal to the Landlord department receiving that submittal, and acknowledges the Landlord department receiving that submittal was required to notify the Ethics Commission of those persons.

21. Resource Efficient Buildings. Tenant acknowledges that Landlord has enacted San Francisco Environment Code Sections 700 to 713 relating to green building requirements for the design, construction, and operation of buildings owned or leased by Landlord. Tenant will comply with all applicable provisions of those code sections.

22. Food Service and Packaging Waste Reduction Ordinance. Tenant will comply with and is bound by all of the applicable provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Lease by reference and made a part of this Lease as though fully set

forth. Accordingly, Tenant acknowledges that Landlord contractors and lessees may not use Disposable Food Service Ware that contains Polystyrene Foam in City Facilities and while performing under a Landlord contract or lease, and will instead use suitable Biodegradable/Compostable or Recyclable Disposable Food Service Ware. This provision is a material term of this Lease.

23. San Francisco Packaged Water Ordinance. Tenant will comply with San Francisco Environment Code Chapter 24 (“**Chapter 24**”). Tenant may not sell, provide, or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this Lease or on Landlord property unless Tenant obtains a waiver from the San Francisco Department of the Environment. If Tenant violates this requirement, Landlord may exercise all remedies in this Lease and the Director of the San Francisco Department of the Environment may impose administrative fines as set forth in Chapter 24.

24. Criminal History in Hiring and Employment Decisions.

(a) Unless exempt, Tenant will comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions), as amended from time to time (“Chapter 12T”), which are incorporated into this Lease as if fully set forth, with respect to applicants and employees of Tenant who would be or are performing work at the Premises.

(b) Tenant will incorporate by reference the provisions of Chapter 12T in all subleases of some or all of the Premises, and require all subtenants to comply with those provisions. Tenant’s failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

(c) Tenant and subtenants may not inquire about, require disclosure of, or if the information is received base an Adverse Action on an applicant’s or potential applicant for employment, or employee’s: (i) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (ii) participation in or completion of a diversion or a deferral of judgment program; (iii) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (iv) a Conviction or any other adjudication in the juvenile justice system; (v) a Conviction that is more than seven years old, from the date of sentencing; or (vi) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(d) Tenant and subtenants may not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection (c) above. Tenant and subtenants may not require that disclosure or make any inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(e) Tenant and subtenants will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Premises, that the Tenant or subtenant will consider

for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(f) Tenant and subtenants will post the notice prepared by the Office of Labor Standards Enforcement (“**OLSE**”), available on OLSE’s website, in a conspicuous place at the Premises and at other workplaces within San Francisco where interviews for job opportunities at the Premises occur. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Premises or other workplace at which it is posted.

(g) Tenant and subtenants understand and agree that on any failure to comply with the requirements of Chapter 12T, Landlord will have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant, or other person as to whom a violation occurred or continued, or termination of this Lease in whole or in part.

(h) If Tenant has any questions about the applicability of Chapter 12T, it may contact Landlord’s Real Estate Division for additional information. Landlord’s Real Estate Division may consult with the Director of Landlord’s Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

25. All-Gender Toilet Facilities. Tenant will comply with San Francisco Administrative Code Section 4.1-3 requiring at least one all-gender toilet facility on each floor of the Building where extensive renovations are made. An “all-gender toilet facility” means a toilet that is not restricted to use by persons of a specific sex or gender identity by means of signage, design, or the installation of fixtures, and “extensive renovations” means any renovation where the construction cost exceeds 50% of the cost of providing the toilet facilities required by Administrative Code Section 4.1-3. If Tenant has any question about applicability or compliance, Tenant should contact the Director of Property for guidance.

26. Employee Signature Authorization Ordinance. Landlord has adopted an Employee Signature Authorization Ordinance (San Francisco Administrative Code Sections 23.50–23.56). That ordinance requires employers of employees in hotel or restaurant projects on public property with fifty (50) or more employees (whether full-time or part-time) to enter into a “card check” agreement with a labor union regarding the preference of employees to be represented by a labor union to act as their exclusive bargaining representative. Tenant will comply with the requirements of the ordinance, if applicable, including any requirements in the ordinance with respect to its subtenants, licensees, and operators.

27. Tenant’s Compliance with Business and Tax and Regulations Code. Tenant acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the San Francisco Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the Landlord under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment Landlord is required to make to Tenant under this Lease is withheld, then Landlord will not be in breach or default under this Lease, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Tenant, without interest,

late fees, penalties, or other charges, upon Tenant coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

28. Consideration of Salary History. In addition to Tenant's obligations as an employer under San Francisco Police Code Article 33J, Tenant must comply with San Francisco Administrative Code Chapter 12K. For each employment application to Tenant for work of eight (8) or more hours per week at the Premises, Tenant must not consider the applicant's current or past salary (a "**Salary History**") in deciding whether to hire the applicant or what salary to offer the applicant unless the applicant voluntarily discloses that Salary History without prompting. In addition, Tenant must not (1) ask those applicants about their Salary History, (2) refuse to hire, or otherwise disfavor, injure, or retaliate against applicants that do not disclose their Salary History, or (3) disclose a current or former employee's Salary History without that employee's authorization unless it is required by law, publicly available, or subject to a collective bargaining agreement. Tenant is subject to the posting, enforcement, and penalty provisions in Chapter 12K. Information about Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>.

29. GASB 87 Lease Accounting. The Governmental Accounting Standards Board ("**GASB**"), an independent organization that establishes accounting and financial reporting standards for U.S. state and local governments, issued Statement 87 to improve certain reporting and accounting practices. In connection with GASB 87, Tenant agrees to complete the checklist set forth in the attached Attachment B-2 and provide the same to Landlord within thirty (30) days of the Commencement Date in order to facilitate the Landlord's collection and evaluation of information for Landlord's financial reporting purpose.

Attachment B-1

First Source Hiring Agreement [PLEASE PROVIDE A COPY OF THIS AGREEMENT]

Attachment B-2

GASB CHECKLIST

Checklist for Supplier Lease Contracts

The following checklist has important tips and examples that should be considered ensuring required accounting information are included.

Lease Term and Provision	Yes	No	N/A
1. Is this an amendment of existing lease?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Confirm the lease agreement date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Confirm the lease commencement date and end date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Include payment frequency (such as one time, monthly, quarterly, annually or event based)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Identify the based amount per payment frequency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is lease payment rate adjustment applicable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Note: For example, reference index, specific rate or other calculation method.</i>			
7. Any variable payments by performance is applicable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Note: For examples, retail space rent includes calculation based on gross sales or copier charges for per-page fee.</i>			
8. Is lease incentives applicable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Note: Lease incentives refer to incentives provided by lessor for lease improvements or moving expenses. For example, rent credits or free rent during constructions.</i>			
9. Any security deposit required? (Please include the amount)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Is the lease cancelable?

Note: please include when and who can request to cancel the agreement. Also, identify any penalties.

11. Does this lease contain Renewal options?

Note1: Please include terms, rent calculation, and any end of lease procedure of renewal
Note2: Indicate the date that the lessor is required to be notified by in order to renew the lease.

12. Does this lease contain a purchase option?

Note: is the lessee reasonably certain to exercise this purchase option?

EXHIBIT C

Memorandum of Ground Lease

[Attached]

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Greenberg Traurig LLP
18565 Jamboree Road
Suite 500
Irvine, California 92612
Attention: Bruce Fischer

(Space above this line for Recorder's use only.)

MEMORANDUM OF GROUND LEASE

This MEMORANDUM OF GROUND LEASE (this "**Memorandum**") is executed as of _____, 20[_], by the City and County of San Francisco, as landlord ("**Landlord**"), and EQX Jackson SQ Holdco LLC, a Delaware limited liability company ("**Tenant**") with reference to the following facts:

Landlord and Tenant have entered into that certain Ground Lease dated [●], 20[_] (the "**Lease**") for those certain premises (the "**Premises**") located in the County of San Francisco, State of California, and more particularly described on Exhibit A attached hereto and incorporated herein by reference, together with all rights and privileges appurtenant thereto. Capitalized terms used herein but not otherwise defined herein shall have the meaning given to them in the Lease.

1. Agreement to Lease. In accordance with the terms and condition of the Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, which Lease is hereby incorporated herein by reference.
2. Term. Subject to the terms and conditions contained in the Lease, the Premises is leased for a term of ninety-nine (99) years, commencing on the Commencement Date, unless terminated earlier, as provided in the Lease.
3. Transfer or Encumbrance of Fee Title to Premises; Transfer of Fee Title to Tenant. In accordance with the terms and conditions of (a) the Lease, Landlord has no right to transfer or encumber its fee interest in the Premises without Tenant's approval, which may be withheld in Tenant's sole and absolute discretion, and any such transfer or encumbrance in violation of the terms of the Lease is void and shall be of no force or effect, and (b) the CPEA (as such term is defined in the Lease) and as contemplated in the Lease, Landlord is obligated to transfer fee title to the Premises to Tenant subject to the satisfaction of, and in accordance with, certain conditions set forth in the Lease and the CPEA.

4. Purpose of Memorandum of Lease. This Memorandum of Ground Lease is being executed and delivered for the purposes of recording only, and it in no way modifies the provisions of the Lease. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall govern and control.

5. Execution in Counterparts. This Memorandum of Ground Lease may be executed in counterparts, each of which when executed and delivered shall be deemed to be an original and all such counterparts together shall constitute one and the same instrument.

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EXHIBIT A
to Memorandum of Lease
Legal Description

Exhibit A to Memorandum of Ground Lease

EXHIBIT D-1

Form of Estoppel to be Executed by Tenant

EXHIBIT D-2

Form of Estoppel to be Executed by Landlord

SCHEDULE 1

Definitions

Definitions. When used in this Lease, the following capitalized terms are defined as follows:

“**Additional Rent**” has the meaning given to such term in Section 3.3.

“**Affiliate**” means, as to any Person, any other Person (i) which, directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person, (ii) which is an officer, general partner or managing member of such Person, or (iii) is, directly or indirectly, the beneficial owner of fifty-one percent (51%) or more of any class of equity securities.

“**Applicable Laws**” means all applicable present and future statutes, regulations, rules, ordinances, codes, common law, licenses, permits, orders, authorizations, concessions, franchises, and similar items, and all amendments thereto, of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, California, and political subdivisions thereof, and all applicable judicial, administrative and regulatory decrees, judgments, and orders applicable to the Premises.

“**Bankruptcy Event**” means, with respect to a specified Person, (a) the voluntary filing of an application by such Person for relief of such Person under any federal or state bankruptcy or insolvency law, (b) such Person’s consent to the appointment of a trustee, receiver, or custodian of its assets, (c) the entry of an order for relief with respect to such Person in proceedings under the United States Bankruptcy Code, as amended or superseded from time to time, (d) the making by such Person of a general assignment for the benefit of creditors, (e) the involuntary filing of an application for relief against such Person under any federal or state bankruptcy law, or the entry (if opposed by the Person) of an order, judgment, or decree by any court of competent jurisdiction appointing a trustee, receiver, or custodian of the assets of such Person, unless the application or proceedings, as the case may be, are dismissed within ninety (90) days, or (f) the failure by such Person generally to pay its debts as they become due within the meaning of Section 303(h)(1) of the United States Bankruptcy Code, as determined by a bankruptcy court.

“**Claims**” has the meaning given to such term in Section 14.1.1.

“**Closing Date**” means the date on which this Lease is executed and delivered by the parties.

“**Commencement Date**” has the meaning given to such term in the introductory paragraph.

“**Condemnation Proceeds**” has the meaning given to such term in Section 10.1.

“**Control**” as applied to any Person, the possession, direct or indirect, of the power to direct, cause the direction of or veto the management and policies of such Person, whether through the ownership of voting securities or other ownership interest, by contract or otherwise.

“**CPEA**” has the meaning given to such term in Recital A.

“Default Interest Rate” means the per annum rate of interest published in The Wall Street Journal from time to time as the “prime rate,” plus two percent (2%), but in no event higher than the maximum rate permitted by Applicable Law. If more than one prime rate (other than foreign prime rates) is published in The Wall Street Journal for any day, the average of the published prime rates for that day, exclusive of foreign prime rates, shall be used.

“Environmental Laws” means all applicable present and future statutes, regulations, rules, ordinances, codes, common law, licenses, permits, orders, authorizations, concessions, franchises, and similar items, and all amendments thereto, of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, California, and political subdivisions thereof, and all applicable judicial, administrative and regulatory decrees, judgments, and orders relating to the protection of human health, the environment and natural resources, including, without limitation, all legal requirements pertaining to reporting, licensing, permitting, investigation and/or remediation of emissions, discharges, Releases, or threatened Releases of Hazardous Substances, whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Substances. Environmental Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the California Medical Waste Management Act and Radiation Control Law; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; and any and all federal, state, or local law counterparts.

“Event of Default” has the meaning given to such term in Section 13.1.

“Expiration Date” has the meaning given to such term in Section 2.1.

“Existing Improvements” means the Improvements situated on the Land as of the Commencement Date.

“Fee Estate” means the fee interest of Landlord in the Land, and the reversionary interest of Landlord in the Premises, including its reversionary interest under this Lease.

“Ground Rent” has the meaning given to such term in Section 3.1.

“Hazardous Substance” means any substance, material, or waste: (1) the presence of which requires investigation or remediation under any Environmental Law; (2) which is or becomes listed, regulated, or defined as a “hazardous waste,” “hazardous substance,” “hazardous material,” “toxic substance,” “hazardous air pollutant,” “pollutant,” “infectious waste,” “bio-hazardous waste,” “medical waste,” “radioactive waste,” or “contaminant” under any Environmental Law; (3) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous to human health, safety, wildlife, or the environment and is or becomes regulated under any Environmental Law; (4) the presence or Release of which at, on, under, or from the Premises causes or threatens to cause a nuisance upon

the Premises or to surrounding properties or poses or threatens to pose a hazard to the environmental or the health or safety of Persons on or about the Premises; or (5) the presence of which on adjacent properties could constitute a trespass by Tenant. Without limitation of the foregoing, Hazardous Substances shall include gasoline, diesel fuel, and other petroleum hydrocarbons and the additives and constituents thereto, including MTBE; polychlorinated biphenals (PCBs); asbestos and asbestos-containing material; and lead.

“**Impositions**” has the meaning given to such term in Section 4.1.1.

“**Improvements**” means all buildings and other improvements located on the Premises.

“**Indemnified Parties**” has the meaning given to such term in Section 14.1.1.

“**Investigate**” and “**Investigation**” means undertaking any activities to determine the nature and extent of any Hazardous Substance that may be located in, on, under, or about the Premises or that has been, are being or threaten to be Released into the environment.

“**Land**” has the meaning given to such term in Section 1.1.1.

“**Landlord**” has the meaning given to such term in the introductory paragraph.

“**Landlord Income Taxes**” has the meaning given to such term in Section 4.5.

“**Lease**” has the meaning given to such term in the introductory paragraph.

“**Lease Year**” means each successive twelve (12) month period commencing on the Commencement Date and each anniversary thereof during the Term, except that (i) if the Commencement Date is not on the first day of a month, then the first Lease Year shall include the remainder of the month in which the Commencement Date occurs and the second Lease Year and each Lease Year thereafter shall commence on the anniversary of the first day of the month following the month in which the Commencement Date occurs, and (ii) in the event of the termination of this Lease on any day other than the last day of a Lease Year, then the last Lease Year shall be the period from the end of the preceding Lease Year to such date of termination.

“**Leasehold Estate**” means, collectively, (i) all right, title, and interest of Tenant in, to, and under this Lease, and (ii) all right, title, and interest of Tenant in, to, and under the Premises.

“**Leasehold Mortgage**” has the meaning given to such term in Section 12.1(a).

“**Leasehold Mortgagee**” or “**Leasehold Mortgagees**” has the meaning given to such term in Section 12.1(a).

“**Mezzanine Lender**” or “**Mezzanine Lenders**” has the meaning given to such term in Section 12.1(a).

“**Mezzanine Loan**” has the meaning given to such term in Section 12.1(a).

“**Monetary Default**” has the meaning given to such term in Section 13.1(a).

“**Official Records**” means the official records of the City and County of San Francisco as maintain by the Office of the Assessor Recorder of the City and County of San Francisco.

“**Party**” or “**Parties**” has the meaning given to such term in the introductory paragraph.

“**Permitted Sublease**” has the meaning given to such term in Section 12.2.2

“**Person**” means any individual, association of individuals, or entity.

“**Premises**” has the meaning given to such term in Section 1.1.

“**Prohibited Person**” means:

(i) any Person or country who or which is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (as the same may be modified from time to time, the “Executive Order”);

(ii) any Person or country who or which is named as a “specially designated national and blocked person” under U.S. law and any executive orders or regulations promulgated thereunder, including on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website or at any replacement website or other replacement official publication of such list;

(iii) any Person that is owned or Controlled by, or acting for or on behalf of, any Person that is described in the foregoing clauses (i) or (ii) above or is otherwise subject to the provisions of the Executive Order;

(iv) any Person or country with whom another Person is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order; or

(v) any Person who commits, threatens, or conspires to commit or supports “terrorism” as defined in the Executive Order.

“**REA**” means that certain Declaration of Reciprocal Easements and Tower Easements with Covenants, Conditions and Restrictions entered into by and between Landlord and Tenant in conjunction with a Subdivision creating the New City Parcel and the New Developer Parcel.

“**Related Parties**” has the meaning given to such term in Section 32.2.

“**Release**” when used with respect to any Hazardous Substance includes any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside the Premises, or in, on, under, or about any other part of the Land or into the environment.

“Remediate” and **“Remediation”** means to clean up, remove, contain, treat, stabilize, monitor, or otherwise control the Hazardous Substance.

“Taking” means a taking or damaging, including severance damage, by eminent domain, inverse condemnation, or for any public or quasi-public use under any Applicable Law. A Taking may occur under the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation, or in settlement of a condemnation action.

“Tenant” has the meaning given to such term in the introductory paragraph.

“Term” has the meaning given to such term in Section 2.1.

“Uncurable Event of Default” has the meaning given to such term in Section 13.1(c).

SCHEDULE 2

A. Insurance During the Term. During the Term, Tenant shall maintain, or cause to be maintained, the following insurance coverages with respect to the Premises:

1. special causes of loss property insurance on the Improvements, the Premises and personal property, including, without limitation, earthquake insurance (any sublimit proposed by Tenant shall be subject to Landlord's approval, not to be unreasonably withheld), with limits equal to one hundred percent (100%) of the full replacement cost which for purposes of this Lease shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) waiving all co-insurance provisions; providing for no deductible in excess of Two Hundred Fifty Thousand Dollars (\$250,000) (except earthquake, wind, and flood coverage, which deductibles may be in excess of Two Hundred Fifty Thousand Dollars (\$250,000) but no greater than five percent (5%) of the total value of the Land) to the extent commercially reasonable; and providing coverage for contingent liability from operation of building laws, demolition costs, and increased cost of construction endorsement together with an ordinance of law coverage or enforcement endorsement if any of the Improvements or the use of the Improvements shall at any time constitute legal non-conforming structures or uses, if available on commercially reasonable terms;

2. business interruption/loss of rents insurance covering the special causes of loss required to be covered by the insurance provided for in clause 1 above; with limits sufficient to pay the loss of rental income during the period of rebuilding but not more than a period of 365 days from occurrence of the loss;

3. commercial general liability insurance against claims for bodily injury, death or property damage occurring upon, in or about the Premises, with limits of Ten Million Dollars (\$10,000,000) per occurrence and Twenty-Five Million Dollars (\$25,000,000) in the aggregate, which may be arranged through a combination of primary and excess policies. Such insurance shall be primary and non-contributory, shall be written on an occurrence form (*i.e.*, not a claims-made form), and shall have coverage for (i) completed operations liability, and (ii) insured contracts;

4. if applicable, automobile liability insurance with combined single limits of at least Two Million Dollars (\$2,000,000); and

5. as applicable, workers compensation insurance with statutory limits, and employer's liability coverage with limits of at least One Million Dollars (\$1,000,000) for each accident or illness.

The above insurance requirements will be evaluated by Landlord for adequacy not more frequently than every five (5) years. Landlord may require Tenant to increase the insurance limits for all or any of its general liability policies if, in the reasonable judgment of Landlord, it is the prevailing commercial practice in the San Francisco Bay Area to carry insurance for property similar to the Premises in amounts greater than the amounts carried by Tenant with respect to risks comparable to those associated with use of the Premises.

B. During Construction. During any construction on the Premises, Tenant shall maintain or cause to be maintained, at its sole cost and expense or at such third party's sole cost and expense, the following:

1. i. **Builder's risk insurance, special form coverage, for one hundred percent (100%) of the completed value of the project and City property** exclusively in the care, custody, and control of the Tenant or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable Law; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss;

2. commercial general liability insurance against claims for bodily injury, death or property damage occurring upon, in or about the Premises, with limits of Twenty-Five Million Dollars (\$25,000,000) per occurrence, or such lower limit as the parties may deem reasonable based on the scope of work, which may be arranged through a combination of primary and excess policies. Such insurance shall be primary and non-contributory, shall be written on an occurrence form (*i.e.*, not a claims-made form), and shall have coverage for (i) completed operations liability through the statute of repose on a form CG 20 37 (or the equivalent thereof), and (ii) insured contracts;

3. professional liability insurance to be carried by architects, engineers and other professionals with limits of not less than One Million Dollars (\$1,000,000) per claim or such other amounts as the parties shall determine to be commercially reasonable and applicable to the relevant profession;

4. if applicable, automobile liability insurance with combined single limits of Two Million Dollars (\$2,000,000);

5. if applicable, workers compensation insurance with statutory limits, and employer's liability coverage with limits of One Million Dollars (\$1,000,000) for each accident or illness; and

6. if applicable, Contractors Pollution Liability insurance with limits not less than Five Million Dollars (\$5,000,000).

C. All liability policies shall name Landlord and its officers, agents and employees as Additional Insured. Waiver of subrogation shall be provided for all workers' compensation policies in favor of Landlord.

D. Nature of Policies. The insurance requirements set forth in this **Schedule 2** may be satisfied by a blanket policy or policies, **including at Tenant's discretion, demonstrating the liability limits required herein with any combination of primary and/or excess/umbrella policies.** Further, all insurance to be obtained pursuant to this Lease shall:

1. be obtained from insurers of recognized responsibility, rated at least Class **A-:VIII** by the A. M. Best Company, Inc. or an equivalent rating by another national rating organization, authorized to do business in the City and County of San Francisco; and

2. contain a standard mortgagee clause if there is a Leasehold Mortgage including each Leasehold Mortgagee as an additional insured on liability policies. The Leasehold Mortgage may provide a manner for the disposition of Tenant's interest in any insurance proceeds, and in such event the Leasehold Mortgage shall control, subject to the terms and conditions of the REA.