

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("**First Amendment**") is made and entered into as of the 13th day of April, 2020, by and between THE REALTY ASSOCIATES FUND X, L.P., a Delaware limited partnership ("**Landlord**") and SOUTH BAY CITIES COUNCIL OF GOVERNMENTS, a California Joint Powers Authority ("**Tenant**").

R E C I T A L S:

A. Landlord and Tenant entered into that certain Standard Office Lease dated August 15, 2019 (the "**Original Lease**"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain office space located in that certain building located and addressed at 2355 Crenshaw Boulevard, Torrance, California 90501 (the "**Building**"). Landlord is the successor-in-interest under the Lease to Landlord. The term "**Lease**" where used in the Original Lease and this First Amendment shall hereafter refer to the Original Lease, as amended by this First Amendment.

B. By this First Amendment, Landlord and Tenant desire to expand the Existing Premises (as defined in Section 1 below) and to otherwise modify the Lease as provided herein.

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

A G R E E M E N T:

1. The Existing Premises. Landlord and Tenant hereby agree that pursuant to the Lease, Landlord currently leases to Tenant and Tenant currently leases from Landlord that certain office space in the Building containing 4,459 rentable square feet and known as Suite 125 (the "**Existing Premises**"), as outlined on Exhibit A to the Original Lease.

2. Expansion of the Existing Premises. That certain space located on the first (1st) floor of the Building outlined on the floor plan attached hereto as Exhibit "A" and made a part hereof, may be referred to herein as the "**Expansion Space**." Landlord and Tenant hereby stipulate that the Expansion Space contains 806 rentable square feet. Effective as of the date ("**Expansion Commencement Date**") which is forty-two (42) days after the earlier to occur of (a) the date of "Substantial Completion" of the "Tenant Improvements" (as those terms are defined in the Tenant Work Letter attached hereto as Exhibit "B") in the Expansion Space or (b) the date Tenant first commences to conduct business in the Expansion Space, Tenant shall lease from Landlord and Landlord shall lease to Tenant the Expansion Space. Accordingly, effective upon the Expansion Commencement Date, the Existing Premises shall be increased to include the Expansion Space. Landlord and Tenant hereby agree that such addition of the Expansion Space to the Existing Premises shall, effective as of the Expansion Commencement Date, increase the number of rentable square feet leased by Tenant in the Building to a total of 5,265 rentable square feet. The Expansion Commencement Date is anticipated to occur on or about September 1, 2020. Effective as of the Expansion Commencement Date, all references in the Lease to the "Premises" shall mean and refer to the Existing Premises as expanded by the Expansion Space.

3. Term for the Expansion Space; Beneficial Occupancy.

3.1. Term for the Expansion Space. The Term of Tenant's lease of the Expansion Space ("**Expansion Space Term**") shall commence on the Expansion Commencement Date and shall expire co-terminous with Tenant's lease of the Existing Premises (the expiration date of Tenant's lease of the Existing Premises to be referred to as the "**Expiration Date**") unless sooner terminated or extended pursuant to the terms of the Lease. The one five (5) year Extension Option set forth in Section 4 of the Original Lease shall apply collectively to the Existing Premises and the Expansion Space (i.e. Tenant must exercise the Extension Option concurrently as to both spaces or as to none of such spaces).

3.2. Beneficial Occupancy Period. Tenant shall have the right to use and occupy the Expansion Space commencing on the earlier of (i) the date of the Substantial Completion of the Tenant Improvements in the Expansion Space or (ii) the date Tenant first commences to conduct business in the Expansion Space, and continuing until the Expansion Commencement Date (i.e., for forty-two (42) days) (the "**Beneficial Occupancy Period**") provided (a) Tenant and its agents do not interfere with Landlord's completion of the punch list items for the Tenant Improvements in the Expansion Space, and (b) Landlord is in receipt of Tenant's certificate of insurance for the Expansion Space as required under the Lease. Tenant may occupy the Expansion Space during the Beneficial Occupancy Period for fit-up and for operation of its business pursuant to the permitted uses in the Lease. Possession of the Expansion Space during the Beneficial Occupancy Period shall be subject to the terms and conditions of the Lease. However, except for the cost of services requested by Tenant (e.g., after-hours HVAC and parking), Tenant shall not be required to pay Base Rent and Tenant's Share of Operating Expenses and Real Property Taxes for the Expansion Space during the Beneficial Occupancy Period.

4. Base Rent. During the Expansion Space Term, Tenant shall pay in accordance with the provisions of this Section 4, monthly Base Rent for the Expansion Space as follows:

<u>Months During Expansion Space Term</u>	<u>Monthly Base Rent</u>	<u>Monthly Base Rent Per Rentable Square Foot</u>
1 – 12	\$2,135.90	\$2.65
13 – 24	\$2,199.98	\$2.73
25 – 36	\$2,265.98	\$2.81
37 – 48	\$2,333.96	\$2.90
49 – 60	\$2,403.98	\$2.98
61 – Expiration Date	\$2,476.10	\$3.07

5. Rental Abatement. Notwithstanding anything to the contrary contained in the Lease or in this First Amendment, and provided that Tenant faithfully performs all of the terms and conditions of the Lease, Landlord hereby agrees to abate Tenant's obligation to pay monthly Base Rent for the Expansion Space for the second (2nd), third (3rd) and fourth (4th) full months of the Expansion Space Term. During such abatement period, Tenant shall still be responsible for the payment of all of its other monetary obligations under the Lease. In the event of a default by Tenant under the terms of the Lease that results in early termination pursuant to the provisions of Section 13.2 of the Original Lease, then as a part of the recovery set forth in Section 13.2 of the Original Lease, Landlord shall be entitled to the recovery of the Base Rent that was abated under the provisions of this Section 5.

6. Tenant's Share and Base Year. Notwithstanding anything to the contrary in the Lease, during the Expansion Space Term, Tenant's Share of any increase in Operating Expenses and Real Property Taxes for the Expansion Space only shall be 0.78% as to the Building and 0.39% as to the Project and the Base Year for the Expansion Space only shall be the calendar year 2020.

7. Tenant Improvements. Tenant Improvements in the Expansion Space shall be installed and constructed in accordance with the terms of the Tenant Work Letter attached hereto as **Exhibit "B"** and made a part hereof.

8. Security Deposit. Tenant has previously deposited with Landlord Thirteen Thousand Three Hundred Sixty-Two and 39/100 Dollars (\$13,362.39) as a Security Deposit under the Lease. Concurrently with Tenant's execution of this First Amendment, Tenant shall deposit with Landlord an additional Two Thousand Seven Hundred Twenty Three and 71/100 Dollars (\$2,723.71), for a total Security Deposit under the Lease, as amended herein, of Sixteen Thousand Eighty-Six and 10/100 Dollars (\$16,086.10). Landlord shall continue to hold the Security Deposit as increased herein in accordance with the terms and conditions of Section 5 of the Original Lease.

9. Notice of Lease Term Dates. Landlord may deliver to Tenant a commencement letter in a form substantially similar to that attached hereto as **Exhibit "C"** and made a part hereof at any time after the Expansion Commencement Date. Tenant agrees to execute and return to Landlord said commencement letter within five (5) days after Tenant's receipt thereof.

10. Conflict. If there is a conflict between the terms and conditions of this First Amendment and the terms and conditions of the Lease, the terms and conditions of this First Amendment shall control. Except as modified by this First Amendment, the terms and conditions of the Lease shall remain in full force and effect. Capitalized terms included in this First Amendment shall have the same meaning as capitalized terms in the Lease unless otherwise defined herein. Tenant hereby acknowledges and agrees that the Lease is in full force and effect, Landlord is not currently in default under the Lease, and, to the best of Tenant's knowledge, no event has occurred which, with the giving of notice or the passage of time, or both, would ripen into Landlord's default under the Lease. The Lease, as hereby amended, contains all agreements of the parties with respect to the lease of the Premises. No prior or contemporaneous agreement or understanding pertaining to the Lease, as hereby amended, shall be effective.

11. Authority. The persons executing this First Amendment on behalf of the parties hereto represent and warrant that they have the authority to execute this First Amendment on behalf of said parties and that said parties have authority to enter into this First Amendment.

12. Brokers. Tenant and Landlord each represent and warrant to the other that neither has had any dealings or entered into any agreements with any person, entity, broker or finder in connection with the negotiation of this First Amendment other than CBRE on behalf of Landlord and Colliers International on behalf of Tenant, and no other broker, person, or entity is entitled to any commission or finder's fee in connection with the negotiation of this First Amendment, and Tenant and Landlord each agree to indemnify, defend and hold the other harmless from and against any claims, damages, costs, expenses, attorneys' fees or liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings, actions or agreements of the indemnifying party.

13. Confidentiality. Tenant is a public entity and as such is subject to the Public Records Act and the Freedom of Information Act. This First Amendment is subject to disclosure in compliance with these laws.

14. Delivery of Amendment. Preparation of this First Amendment by Landlord or Landlord's agent and submission of same to Tenant shall not be deemed an offer by Landlord to enter into this First Amendment. This First Amendment shall become binding upon Landlord only when fully executed by all parties and when Landlord has delivered a fully executed original of this First Amendment to Tenant. To Landlord's actual knowledge, the Expansion Space has not undergone an inspection by a certified access specialist. In addition, to Landlord's actual knowledge, a disability access inspection certificate for the

Expansion Space has not been issued. Pursuant to Section 1938 of the California Civil Code, Landlord hereby provides the following notification to Tenant: “A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises.” Landlord’s actual knowledge shall mean and be limited to the actual knowledge of the person who is the Building owner’s asset manager (not the Building’s property manager) on the date this First Amendment is executed by Landlord, without any duty of inquiry or investigation, and such asset manager shall have no personal liability to the extent allowed by law.

[SIGNATURES ON NEXT PAGE]

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

"LANDLORD"

THE REALTY ASSOCIATES FUND X, L.P.,
a Delaware limited partnership

By: Realty Associates Fund X LLC, its general partner

By: TA Realty, LLC, its manager

By: _____
Officer

By: Realty Associates Fund X REIT GP, LLC,
its general partner

By: Realty Associates Fund X REIT, LLC, its manager

By: Realty Associates Fund X UTP, L.P., its manager

By: Realty Associates Fund X, LLC,
its general partner

By: TA Realty, LLC, its manager

By: _____
Officer

"TENANT"

SOUTH BAY CITIES COUNCIL OF GOVERNMENTS,
a California Joint Powers Authority

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

EXHIBIT "A"

OUTLINE OF EXPANSION SPACE



This Exhibit "A" is provided for informational purposes only and is intended to be only an approximation of the layout of the Expansion Space and shall not be deemed to constitute any representation by Landlord as to the exact layout or configuration of the Expansion Space.

EXHIBIT "B"

TENANT WORK LETTER

This Tenant Work Letter shall set forth the terms and conditions relating to the renovation of the tenant improvements in the Expansion Space. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Expansion Space, in sequence, as such issues will arise.

SECTION 1

CONSTRUCTION DRAWINGS FOR THE EXPANSION SPACE

Landlord shall construct the improvements in the Expansion Space (the "**Tenant Improvements**") pursuant to that certain plan attached hereto as Schedule 1 (collectively, the "**Plans**"). Unless specifically noted to the contrary on the Plans, the Tenant Improvements shall be constructed using standard quantities, specifications and materials for the Building as determined by Landlord. If determined by Landlord to be necessary, based upon the Plans, Landlord shall cause the Architect to prepare detailed plans and specifications for the Tenant Improvements ("**Working Drawings**"). Landlord shall then forward the Working Drawings to Tenant for Tenant's approval. Tenant shall approve or reasonably disapprove any draft of the Working Drawings within three (3) business days after Tenant's receipt thereof; provided, however, that (i) Tenant shall not be entitled to disapprove any portion, component or aspect of the Working Drawings which are consistent with the Plans unless Tenant agrees to pay for the additional cost resulting from such change in the Plans as part of the Over-Allowance Amount pursuant to Section 2 below, and (ii) any disapproval of the Working Drawings by Tenant shall be accompanied by a detailed written explanation of the reasons for Tenant's disapproval. Failure of Tenant to reasonably disapprove any draft of the Working Drawings within said three (3) business day period shall be deemed to constitute Tenant's approval thereof. The Working Drawings, as approved by Landlord and Tenant, may be referred to herein as the "**Approved Working Drawings**." Tenant shall make no changes or modifications to the Plans or the Approved Working Drawings without the prior written consent of Landlord. References to or depictions of furniture, fixtures or equipment ("**FF&E**") on the Plans, Working Drawings or Approved Working Drawings shall not be interpreted to obligate Landlord to pay costs or expenses associated with the purchase or installation of FF&E.

SECTION 2

OVER-ALLOWANCE AMOUNT

In the event any revisions, changes, or substitutions are made at Tenant's request to the Plans or the Approved Working Drawings or the Tenant Improvements, any additional costs which arise in connection with such revisions, changes or substitutions shall be considered to be an "**Over-Allowance Amount**." The Over-Allowance Amount shall be paid by Tenant to Landlord, as Additional Rent, within ten (10) business days after Tenant's receipt of invoice therefor. The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any portion of Landlord's contribution to the construction of the Tenant Improvements.

SECTION 3

RETENTION OF CONTRACTOR; WARRANTIES AND GUARANTIES

Landlord hereby assigns to Tenant all warranties and guaranties by the contractor who constructs the Tenant Improvements (the "**Contractor**") relating to the Tenant Improvements, and Tenant hereby waives all claims against Landlord relating to, or arising out of the construction of, the Tenant Improvements. The Contractor shall be designated and retained by Landlord to construct the Tenant Improvements.

SECTION 4

NOTICE OF COMPLETION

Landlord and the space planner or architect retained by Landlord ("**Architect**") shall cause a Notice of Completion to be recorded in the office of the Recorder of the County of Los Angeles in accordance with Section 8182 of the Civil Code of the State of California or any successor statute upon completion of construction of the Tenant Improvements.

SECTION 5

COMPLETION OF THE TENANT IMPROVEMENTS

5.1 Substantial Completion. For purposes of this First Amendment, "**Substantial Completion**" of the Tenant Improvements in the Expansion Space shall occur upon the later to occur of (a) completion of construction of the Tenant Improvements in the Expansion Space pursuant to the Approved Working Drawings, with the exception of any punch list items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant or (b) a sign-off by the City of Torrance on the Tenant Improvements permitting legal occupancy of the Expansion Space.

5.2 Delay of the Substantial Completion of the Expansion Space. Except as provided in this Section 5.2, the Expansion Space Commencement Date shall occur as set forth in the First Amendment. If there are delays in the Substantial Completion of the Tenant Improvements in the Expansion Space as a result of the following (collectively, "**Tenant Delays**"):

- 5.2.1 Tenant's failure to timely approve any matter requiring Tenant's approval;
- 5.2.2 A breach by Tenant of the terms of this Tenant Work Letter or this First Amendment;
- 5.2.3 Tenant's request for changes in the Plans, Working Drawings or Approved Working Drawings;
- 5.2.4 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Tenant Improvements in the Expansion Space, or which are different from, or not included in, Landlord's standard improvement package items for the Building;
- 5.2.5 Any other acts or omissions of Tenant, or its agents, or employees;

then, notwithstanding anything to the contrary set forth in the First Amendment or this Tenant Work Letter and regardless of the actual date of the Substantial Completion of the Tenant Improvements in the Expansion Space, the date of Substantial Completion thereof shall be deemed to be the date that Substantial Completion would have occurred if no Tenant Delay, as set forth above, had occurred. If there are delays in Substantial Completion of the Tenant Improvements due to shortages or other reasons not within the control of Tenant, including any delay attributable to the COVID-19 crisis, (i) such delay shall not be charged to Tenant as a Tenant Delay; (ii) such delay shall cause the commencement of the Beneficial Occupancy Period to be delayed until Substantial Completion of the Tenant Improvements is achieved; and (iii) Tenant shall have no right to terminate the Lease or this First Amendment by virtue of the delay in delivery of the Expansion Space.

SECTION 6

MISCELLANEOUS

6.1 Tenant's Representative. Prior to commencement of construction of the Tenant Improvements, Tenant shall designate a representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

6.2 Landlord's Representative. Prior to commencement of construction of the Tenant Improvements, Landlord shall designate a representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

SCHEDULE 1 TO EXHIBIT "B"

PLANS



SCHEDULE 1 TO EXHIBIT "B"

EXHIBIT "C"

NOTICE OF LEASE TERM DATES

TO: _____ DATE: _____, 202_

Attention: _____

RE: _____ Amendment dated _____, 202_, between _____
("Landlord"), and _____, a _____ ("Tenant"),
concerning Suite ____ (the "Expansion Space"), located at _____, California.

Dear Mr. [or Ms.] _____:

In accordance with the _____ Amendment, Landlord wishes to advise and/or confirm the following:

1. That the Tenant is in possession of the Expansion Space and acknowledges that under the provisions of the _____ Amendment, the Expansion Space Term commenced as of _____, 202_ and shall expire on _____.

2. That in accordance with the _____ Amendment, Monthly Base Rent for the Expansion Space Term commenced to accrue on _____, 202_.

AGREED AND ACCEPTED:

TENANT:

_____,
a _____

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____