

COMMERCIAL LEASE

**SUNSET & ALTA LOMA
WEST HOLLYWOOD, CA**

between

SUNSET COLLECTION, LLC

and

STARBUCKS CORPORATION

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COMMERCIAL LEASE (In-Line Space in a Shopping Center)

THIS COMMERCIAL LEASE ("**Lease**") is made and entered into as of 6/5, 2020 ("**Effective Date**") by and between **Sunset Collection, LLC**, a California limited liability company ("**Landlord**"), and **Starbucks Corporation**, a Washington corporation ("**Tenant**").

1. PREMISES.

1.1 **PREMISES.** Landlord is the owner of a building and shopping center located at the intersection of Sunset Boulevard and Alta Loma Road ("**Building**") in a shopping center commonly known as Sunset Collection (the "**Building/Shopping Center**") situated upon the real property legally described in **Exhibit A** attached hereto and by this reference incorporated herein ("**Property**"). The Property is located in the City of West Hollywood ("**City**"), County of Los Angeles ("**County**"), California. In consideration of the mutual promises, covenants, and conditions herein set forth, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the Term (defined below) of this Lease, those certain premises containing approximately nineteen hundred (1,900) square feet of Gross Leasable Area (as defined below) as shown by cross-hatching on **Exhibit B-1** attached hereto and by this reference incorporated herein ("**Premises**"). For purposes of this Lease, the "**Gross Leasable Area**" of the Premises shall be measured in accordance with Section 12.2 but shall not include any outdoor seating area, common areas or any other areas exterior to the Premises.

2. TERM.

2.1 **TERM.** "**Initial Term**" shall mean ten (10) Lease Years commencing on the Rent Commencement Date (as defined in Section 3.1 below) and ending on the last day of the tenth (10th) Lease Year, unless sooner terminated or extended as provided herein. For purposes of this Lease, "**Term**" shall mean the Initial Term and any Extension Term (as defined in Section 2.4 below), and "**Expiration Date**" shall mean the last day of the last Lease Year of the Term. Promptly after the Rent Commencement Date, Landlord and Tenant shall execute a certificate in the form of **Exhibit F** stating the actual Commencement Date (as defined in Section 2.2. below), the Rent Commencement Date, and the Expiration Date. Landlord's failure or refusal to execute and deliver such certificate to Tenant (or object in good faith to its accuracy) within ten (10) days after receipt thereof shall constitute an acknowledgment by Landlord that the factual statements contained therein are true and correct without exception and may be relied upon by Tenant.

2.2 **DELIVERY.** "**Commencement Date**" shall mean the date on which all of the following conditions have been satisfied or waived by Tenant in writing:

- (a) Landlord has completed Landlord's Work, if any (as defined in Section 4.2);
- (b) Landlord has delivered actual possession and control of the Premises to Tenant;
- (c) Landlord and Tenant have executed and delivered a written notice of delivery and acceptance of the Premises in the form attached hereto as **Exhibit D**;
- (d) Landlord has delivered a fully executed copy of this Lease to Tenant; and
- (e) Landlord has removed (or caused to be removed) all Hazardous Substances from the Property and the Premises (if any, as required by applicable law) and provided evidence thereof from the applicable government agency or certified environmental consultant (if any, as required by law).

Landlord shall deliver the Premises to Tenant, in the condition called for in subsections (a) through (e) above, on June 8, 2020 ("**Scheduled Delivery Date**"). Tenant, in its sole discretion, may elect

to accept delivery of the Premises prior to the aforesaid date, but is not required to do so. Tenant's election to accept delivery of the Premises prior to the Scheduled Delivery Date (or any other changes to the Scheduled Delivery Date) must be in writing and signed by a duly authorized signatory of Tenant in order to be effective.

2.3 **LEASE YEAR.** For the purpose of this Lease, subject to the two additional provisions set forth below in this Section 2.3, "**Lease Year**" shall mean and refer to that period of twelve (12) full consecutive calendar months beginning with the first full calendar month of the Term and each subsequent period of twelve (12) consecutive calendar months during the Term. If the Term commences on a day other than the first day of a calendar month, then the initial fractional month of the Term plus the next succeeding twelve (12) full calendar months shall constitute the first Lease Year of the Term. If the last day of the first Lease Year falls between September 1 and January 31, then the first Lease Year shall be extended to end on the last day in February and each subsequent Lease Year shall begin on March 1.

2.4 **EXTENSION.** So long as Tenant is not in default of any of the terms of this Lease at the time of the exercise of each of the extension terms, Tenant shall have the option to extend the Term for two (2) consecutive five (5) -year period(s) (each, an "**Extension Term**") upon the same terms and conditions as contained in this Lease. The Base Rent for each Extension Term shall be as set forth in Article 3 below. To exercise an extension option, Tenant shall give Landlord notice ("**Tenant's Extension Notice**") at least one hundred (120) days prior to the then-current Expiration Date ("**Extension Deadline**"). Tenant's Extension Notice, once received by the Landlord, shall be effective to extend the Term without further documentation

3. RENT.

3.1 **BASE RENT.** Tenant shall pay to Landlord at Landlord's address provided in Section 25 of this Lease, or to such other person or at such other place as Landlord may designate in writing, rent as follows ("**Base Rent**"):

<u>Months</u>	<u>Monthly Installment</u>	<u>Annual Rent</u>
1-30	\$12,350.00	\$148,200.00
31-60	\$13,091.00	\$157,092.00
61-90	\$13,876.33	\$166,516.00
91-120	\$14,709.17	\$176,510.00
 Months During Extension Term(s):		
121-150	\$15,591.72	\$187,100.60
151-180	\$16,527.22	\$198,326.64
181-210	\$17,518.85	\$210,226.23
211-240	\$18,569.98	\$222,839.81

Tenant shall begin to pay Base Rent, Monthly Estimated Rent (as defined in Section 12.3) and all other charges hereunder on the date ("**Rent Commencement Date**") that is the earlier to occur of (a) the date Tenant opens for business in the Premises or (b) one hundred twenty (120) days after the Commencement Date and shall continue to pay Base Rent in monthly installments on or before the first day of every month thereafter during the Term (except as provided in Section 3.2); provided that Tenant shall pay fifty percent (50%) of the monthly Base Rent installments (provided that the Monthly Estimated Rent payments shall not be reduced under this Section 3.1) for the first ninety (90) days after the Rent Commencement Date, and subject to the provisions of Section 3.2, shall pay the full Base Rent, Monthly Estimated Rent and all other charges due under this Lease at the expiration of such 90-day period. Tenant shall have a thirty (30)-day grace period to pay Base Rent, Annual Additional Rent (as defined in Article 12), and any other charges due for the initial month of the Term (or partial month as the case may be) in order to initialize its administrative procedures. During such grace period, no late fees, interest, or penalties shall accrue nor shall Tenant be deemed to be in default. Base Rent, Annual Additional Rent, and any other

charges due for any period during the Term less than one (1) calendar month shall be prorated on a daily basis based on a three hundred sixty-five (365)-day year. Notwithstanding the foregoing, Tenant shall not be required to pay Base Rent, Annual Additional Rent, or any other charges hereunder until Tenant receives from Landlord a completed and executed W-9 taxpayer identification form. Except for paying Base Rent, Annual Additional Rent, and the other charges expressly provided elsewhere in this Lease, Tenant has no obligation to pay Landlord any other amounts. Landlord acknowledges and agrees that Tenant, at Tenant's option, shall have the right to pay amounts due under this Lease to Landlord via electronic funds transfer, and that Landlord shall cooperate with Tenant, if necessary, to establish that manner of payment by Tenant.

3.2 GOVERNMENTAL RESTRICTIONS. Notwithstanding anything in this Lease to the contrary:

(a) If despite Tenant's due diligence, Tenant experiences a delay in Tenant's in completion of construction of Tenant's Initial Improvements at the Premises solely due to governmental-related delays beyond Tenant's control (including required governmental approvals, permitting and/or inspections beyond typical wait times prior to March 1, 2020), Tenant will provide written notice to Landlord at hcravan@sbcglobal.net with a copy to laura@tredcorp.com of any applicable dates impacted such delays, the dates in such notice shall be extended day-for-day during any period while such conditions remain unabated. Tenant's obligations per this Lease shall also extend by the same day-for-day basis..

(b) Following Landlord's delivery of the Premises (in accordance with Section 2.2), commencement of business from the Premises, and Expiration of the Initial Reduced Rent Period, if Tenant's normal public/customer use of its interior dining areas at the Premises ("**Normal Business Operations**") is prohibited due to (i) a government mandated prohibition on Tenant's public/customer use of its interior dining area (a "**Governmental Restriction**"), then, unless and until the applicable Governmental Restrictions have been lifted or abated by the governmental authority issuing the Governmental Restriction (the "**Restriction End Date**"): (1) Tenant shall have the right not to open or operate from the Premises and, in such case, (2) Tenant shall have the right to not pay Base Rent until the earlier of (x) Tenant's opening for Normal Business Operations in the Premises, and (y) the Restriction End Date; and if Tenant has exercised such option to delay Base Rent per the preceding sentence, then (3) the Term shall be extended on a day-for-day basis for each day that Tenant's Normal Business Operations is delayed due to such Governmental Restriction.

4. CONDITION OF THE PREMISES, POSSESSION, AND TENANT ALLOWANCE.

4.1 CONDITION OF THE PREMISES. Tenant is not requiring Landlord to make any improvements to the Premises, however Landlord shall satisfy all conditions listed in subsections (a) through (e) of Section 2.2 above; and all structural elements, roof and building systems of the Premises/Building/Shopping Center will be seismically and otherwise sound and will meet all applicable federal, state, and local codes, including but not limited to all handicapped accessibility standards, such as those promulgated under the Americans With Disabilities Act (**ADA**), and any local requirements, throughout the Term of the Lease.

4.2 LANDLORD'S OBLIGATIONS. Except for any work necessary to bring the Premises or the Building/Shopping Center into the condition required under Section 4.1 (collectively, "**Landlord's Work**"), Landlord shall not be required to perform any work in the Premises or make any improvements to the Premises and shall deliver the Premises to Tenant "broom clean" in its present condition. Tenant shall have the right to perform and install on the Premises all work and improvements for Tenant's construction and operation of the Premises, and may use or dispose of any personal property or fixtures remaining in the Premises upon delivery without any liability to Landlord for such use or removal. Landlord shall notify Tenant in writing at least ten (10) days prior to the date when the Premises will be ready for delivery to Tenant in accordance with the terms hereof. Landlord agrees to cooperate with Tenant and to take all reasonable steps requested by Tenant for the satisfactory completion of Tenant's Work.

4.3 DELAY IN DELIVERY OF POSSESSION. Landlord shall satisfy all conditions listed in Sections 2.2 (a) through (c) above on or before the Scheduled Delivery Date. Landlord acknowledges that

Tenant intends to start construction of Tenant's improvements on the Scheduled Delivery Date, and that a delay beyond such date will cause Tenant to suffer certain losses which are difficult to quantify, including, by way of illustration and not of limitation, lost profits, construction delay costs, and employee wages. If the Commencement Date does not occur within thirty (30) days after the Scheduled Delivery Date for any reason other than a Tenant Delay (defined below) or (regardless of the fact that Tenant may have elected to enter the Premises to perform Tenant's work prior to Landlord's Work being completed), then Tenant, as compensation in the form of liquidated damages, shall be entitled to Five Hundred Dollars (\$500) for each day of delay accruing from the Scheduled Delivery Date to the actual Commencement Date; provided, however, that if such delay is caused by a Tenant Delay or a Force Majeure Event (as defined in Section 23.17 below), the Scheduled Delivery Date shall be deemed extended by a period during which said Tenant Delay or Force Majeure Event shall cause such delay, but the Scheduled Delivery Date shall in no event be deferred by a Force Majeure Event for more than one hundred twenty (120) days. Landlord and Tenant agree that the foregoing free rent determination is a liquidated damages remedy to compensate Tenant based on Landlord and Tenant's best estimate of the daily damages, including, but not limited to, lost sales and business opportunity that Tenant will incur as a result of Landlord's failure to deliver the Premises timely, and such amount is not to be deemed a penalty. If the Commencement Date does not occur within ninety (90) days after the Scheduled Delivery Date for any reason other than a Tenant Delay, Tenant, at its option, may terminate this Lease by written notice to Landlord. Except for Tenant Delays, the termination date shall not be subject to extensions for any reason whatsoever, including, without limitation, delays described in Section 23.17 of this Lease. If Tenant elects to terminate this Lease, Landlord shall pay Tenant an amount equal to the accrued per diem liquidated damages, and Landlord shall reimburse Tenant for all of Tenant's expenses incurred in connection with this Lease, including, without limitation, site selection and lease negotiation costs and expenses, including the allocated cost of in-house personnel. Landlord shall also return all monies previously deposited by Tenant, if any. For purposes of this Lease, a "**Tenant Delay**" shall refer to any delay in Landlord's completion of Landlord's Work caused by Tenant (of which Landlord shall provide notice to Tenant).

5. USE.

5.1 USE. Tenant may use the Premises as a coffee shop including, at Tenant's discretion, the retail sale of (a) whole and ground coffee beans, (b) coffee by the cup, (c) espresso/coffee/tea-based drinks, (d) teas and spices, (e) blended beverages, (f) espresso/coffee/tea related equipment, supplies and accessories, (g) seasonal, promotional and Tenant branded merchandise, (h) assorted food items including but not limited to baked goods, desserts, frozen desserts, salads, sandwiches, juices, candies and novelties, (i) books, magazines and newspapers, (j) music merchandise and digital media content, (k) beer and wine, and (l) non-food items or other items that Tenant or its successors make available for sale in the ordinary course of business not presently identified as an Existing Exclusive Item (defined below) offered by the applicable Existing Exclusive Operator (defined below), and/or prohibited by the written exclusive use rights of other tenants in the Building/Shopping Center.

Tenant acknowledges that there are three (3) existing tenants in the Building/Shopping Center (each, an "**Existing Exclusive Operator**") each with a different primary use (not written exclusives) for (1) pizza, (2) sushi and (3) poke (each, an "**Existing Exclusive Item**"), and so long as an Existing Exclusive Operator is operating, and offering for sale its respective Existing Exclusive Item, Tenant and its successors or assigns shall not be permitted to sell such Existing Exclusive Item to the extent such item continues to be sold by the applicable Existing Exclusive Operator. To the extent that during the Term of this Lease, an Existing Exclusive Operator ceases to offer for sale its respective Existing Exclusive Item, the applicable Existing Exclusive Item will no longer be considered an exclusive to any tenant in the Building/Shopping Center, and in addition, Tenant shall thereafter have the non-exclusive right to sell such Existing Exclusive Item from the Premises.

5.2 COMPLIANCE WITH LAW. During the Term, Tenant, at its expense, shall comply promptly with all laws, rules, and regulations made by any governmental authority having jurisdiction over Tenant's use of the Premises pertaining to (a) the physical condition of any improvements constructed by Tenant in the Premises and (b) Tenant's specific business operations in the Premises. Tenant shall not be required to make any seismic or structural upgrades, repairs, improvements, or alterations to the Premises

or the Building/Shopping Center in order to comply with the requirements of this Section. Landlord, at its sole cost and expense, shall comply with all other laws, rules, regulations, and ordinances made by any governmental authority affecting the Premises, areas adjacent to the Premises, the Common Areas, the Building, the Shopping Center, and the Property, including, without limitation, all accessibility for the disabled requirements.

5.3 OPERATIONS AND RECAPTURE. Tenant may operate (or not operate) its business in such manner and at such hours as Tenant considers proper in Tenant's sole business judgment. It is expressly understood and agreed that Tenant makes no representations or warranties, oral or written, as to the level of gross sales it may generate from the Premises or the number of customers that it will bring to the Building/Shopping Center. The parties acknowledge that Tenant has no obligation to open or operate at the Premises but, in the event Tenant elects not to operate at the Premises for a period of one hundred twenty (120) consecutive days, excluding any closure(s) due to any Force Majeure Event or closures under Section 3.2, casualty, condemnation, renovation, remodeling, or during the course of an actual assignment of this Lease or subletting of the Premises, Landlord may recapture the Premises and terminate this Lease upon thirty (30) days' prior written notice to Tenant unless Tenant resumes operation in the Premises prior to the expiration of such thirty (30)-day notice period, in which case Landlord's recapture and termination notice shall be null and void. The foregoing recapture right shall be Landlord's sole remedy in the event Tenant elects not to operate in the Premises.

5.4 EXCLUSIVITY. Landlord will not sell or permit any party, other than Tenant, to sell on the Property: (a) whole or ground coffee beans; (b) espresso-based drinks or coffee-based drinks; (c) tea or tea-based drinks; (d) brewed coffee, and/or (e) blended beverages that contain coffee and/or espresso ("**Tenant's Exclusive**").

Notwithstanding the foregoing:

5.4.1 Any existing tenant whose lease allows it to sell any of the foregoing products will not be subject to Tenant's Exclusive. Landlord agrees that, to the extent that it has reasonable control over such tenant's use and changes in use, it will exercise such control to enforce Tenant's Exclusive.

5.4.2 All tenants may sell brewed coffee that is not gourmet or brand-identified. "**Gourmet**" shall be defined as a) arabica bean-based, or b) sourced from a gourmet coffee brand like Coffee Bean & Tea Leaf, Intelligentsia, Peets, Caribou, Seattle's Best, Dunkin Donuts, Philz, Verve, Stumptown, Blue Bottle or similar. "**Brand-identified**" shall mean advertised or marketed within the premises by its brand name.

5.4.3 Full service, sit-down restaurants with a wait staff and table service serving at least a complete dinner menu may sell, brewed coffee or tea, and hot espresso drinks for on-premises consumption only, or in conjunction with the sale of a take-out meal.

5.4.4 Further, all tenants may sell pre-bottled/canned coffee/tea drinks, or iced tea from a fountain dispensing system without restriction.

In the event of a violation of Tenant's Exclusive use, and upon written notice to Landlord, an opportunity for Landlord to cure such violation, all rent due under the Lease shall be reduced by fifty percent (50%) from the date thirty (30) days after Tenant notifies Landlord of such violation, and continuing until the violation has been cured and the competing tenant(s) at the Property cease the sale of any of the products protected by Tenant's Exclusive use described above. In the event that the violation continues for more than ninety (90) days, Tenant shall have the right to terminate the Lease, and shall be entitled to reimbursement by Landlord of the unamortized amount of Tenant's improvements to the Premises as of the effective date of the early termination of the Lease.

5.5 ONGOING CO-TENANCY CONTINGENCY. In the event that at any time during the Term of this Lease the occupancy of the Building/the Shopping Center is less than fifty percent (50%) of the

Gross Leasable Area (including the Premises) occupied by tenants or occupants who are operating at least five (5) days per week and eight (8) hours per day ("**Ongoing Co-Tenancy Condition**"), Tenant may cease operating its business in the Premises and Base Rent and all other charges shall fully abate for so long as the Ongoing Co-Tenancy Condition remains unsatisfied and Tenant has discontinued its operations. In the event Tenant elects to continue to operate while the Ongoing Co-Tenancy Condition remains unsatisfied, Tenant's Base Rent and Annual Additional Rent shall be reduced by fifty percent (50%) from the amounts otherwise due and payable until the Ongoing Co-Tenancy Condition is satisfied. In addition to the rental reduction, if the Ongoing Co-Tenancy Condition remains unsatisfied for one hundred eighty (180) consecutive days, Tenant may terminate this Lease by giving written notice to Landlord.

6. MAINTENANCE, REPAIRS, AND ALTERATIONS.

6.1 TENANT'S OBLIGATIONS. Subject to the provisions of Sections 6.2 and 6.3 and Articles 9 and 15, Tenant, at Tenant's expense, shall keep the Premises in good order and repair, including maintaining all plumbing, HVAC, electrical, and lighting facilities and equipment within the Premises and exclusively serving the Premises, and the store front, doors, and plate glass of the Premises. Notwithstanding any provision to the contrary, Tenant's obligations under this Section shall not include making (a) any repair or improvement necessitated by the negligence or willful misconduct of Landlord, its agents, employees, or servants; (b) any repair or improvement caused by Landlord's failure to perform its obligations hereunder or under any other agreement between Landlord and Tenant; or (c) any structural or seismic repairs, improvements, or alterations to the Premises or the Building/Shopping Center.

6.2 LANDLORD'S OBLIGATIONS. Except for repairs, maintenance, and replacements to the Premises and the Building for which Tenant is responsible under Section 6.1, Landlord shall maintain, repair, and make replacements to the Building/Shopping Center (including the Common Areas). Landlord shall, at its sole cost and expense (subject to Tenant's payment obligations, if any, pursuant to Article 12 below), make the repairs and replacements and perform such work that is necessary to maintain the Building/Shopping Center in a condition comparable to other first-class buildings and shopping centers in the same metropolitan area. Such repairs, replacements, and maintenance shall include, without limitation: (a) the upkeep of the roof, roof membrane, and roof systems (gutters, downspouts, and the like), foundation, exterior walls, interior structural walls, and all structural components of the Premises, the Building/Shopping Center; and (b) the maintenance and repair of all parking areas, sidewalks (including walkways/pathways and railings on the terrace), landscaping and drainage systems on the Property, and all utility systems (including mechanical and electrical) and plumbing systems which serve the Building/Shopping Center as a whole and not a particular tenant's premises. Landlord may allocate the cost of such maintenance and repairs equitably among all tenants, if and to the extent provided in Article 12. Landlord shall not be required to maintain the interior surface of exterior walls, windows, doors, or plate glass and store fronts (except where maintenance of the same is caused by Landlord's negligence or failure to perform its obligations under this Section). Landlord shall make all repairs under this Section 6.2 promptly after Landlord learns of the need for such repairs but in any event within thirty (30) days after Tenant notifies Landlord in writing of the need for such repairs. If Landlord fails to make such repairs within thirty (30) days after Tenant's written notice (except when the repairs require more than thirty [30] days for performance and Landlord commences the repair within thirty [30] days and diligently pursues the repair to completion), Tenant may, at its option, undertake such repairs and deduct the cost thereof from the installments of Base Rent and Monthly Estimated Rent next falling due. Notwithstanding the foregoing, in the event of an emergency, Tenant may give Landlord such shorter notice as is practicable under the circumstances and, if Landlord fails to make such repairs immediately after being notified by Tenant, Tenant may immediately undertake such repairs and deduct the cost thereof from the installments of Base Rent and Annual Additional Rent next falling due until offset in full.

6.3 SURRENDER. Upon the expiration or termination of this Lease, Tenant shall surrender the Premises to Landlord in broom clean condition removing Tenant's removable fixtures, equipment and personal property, except for ordinary wear and tear and damage caused by fire or other casualty, whether or not insured or insurable.

6.4 LANDLORD'S RIGHTS. If Tenant fails to perform Tenant's obligations under this Article, Landlord may, but shall not be required to, enter upon the Premises, after fifteen (15) days' prior written notice to Tenant, and put the same in good order, condition, and repair, and the reasonable costs thereof shall become due and payable as additional rental to Landlord together with Tenant's next Base Rent installment falling due after Tenant's receipt of an invoice for such costs. Notwithstanding the foregoing, Landlord's rights under this Section shall be subject to Section 23.14.

6.5 ALTERATIONS AND ADDITIONS.

6.5.1 Initial Improvements. Tenant, at Tenant's cost, may install such fixtures, finishes, communications and internet services infrastructure and other initial tenant improvements in or about the Premises as Tenant deems necessary or desirable for the conduct of Tenant's business therein (the "**Initial Improvements**"). In addition, Landlord acknowledges and agrees that Tenant, at Tenant's sole cost and expense, intends to seek certification of the Premises through the then-current standards established by the United States Green Building Council (the "**USGBC**") for the certification of green buildings, commercial and retail interiors and other facilities ("**LEED Certification**"). Landlord acknowledges that LEED Certification may be awarded at various certification levels as determined by the USGBC. Accordingly, notwithstanding anything in this Lease to the contrary, Landlord agrees to reasonably cooperate with Tenant at no out-of-pocket cost or expense to Landlord, for Tenant's installations of its Initial Improvements and in Tenant's efforts to achieve LEED certification (in a manner and at a level which shall be determined by Tenant in its sole discretion) and to take all reasonable steps requested by Tenant to achieve such certification. Further, Landlord agrees to reasonably assist Tenant at no out-of-pocket cost or expense to Landlord, in its efforts to maintain LEED Certification for the Premises throughout the Term.

6.5.2 Subsequent Improvements. After the installation of the Initial Improvements, Tenant may, upon written notice to Landlord, make such non-structural alterations, improvements, and additions to the interior of the Premises, including, without limitation, improving or upgrading its communications and internet services to the Premises, maintaining, repairing or replacing the HVAC systems (and the mechanical and electrical systems that exclusively serve the HVAC systems and/or the Premises), changing color schemes, installing new countertops, flooring, wall-covering, and modifying the layout of the tenant fixtures ("**Subsequent Improvements**"), as Tenant deems necessary or desirable without obtaining Landlord's consent. Notwithstanding the foregoing, Tenant shall not make any alterations, improvements, additions, or repairs in, on, or about the Premises which affect the structure or the mechanical systems of the Building (to the extent such mechanical systems do not exclusively serve the HVAC and/or the Premises) without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Landlord shall cooperate with Tenant for the installation of any Subsequent Improvements and shall be deemed to have approved any subsequent improvement proposed by Tenant unless Landlord disapproves of Tenant's proposal in writing within thirty (30) days of receiving Tenant's written proposal and request for consent.

6.5.3 Liens. Before commencing any alterations, additions, or improvements using outside contractors, Tenant shall notify Landlord in writing of the expected commencement and completion dates of the work. Tenant shall not permit any mechanics' or materialmen's liens to be levied against the Premises for any labor or material furnished to Tenant or to its agents or contractors; provided, however, that Tenant shall not be required to pay or otherwise satisfy any claims or discharge such liens so long as Tenant, in good faith and at its own expense, contests the same or the validity thereof by appropriate proceedings and posts a bond or takes other steps acceptable to Landlord that remove such lien or stay enforcement thereof. Notwithstanding the foregoing, if Tenant fails to cause any such lien to be discharged of record within one hundred twenty (120) days after written notice from Landlord, then Landlord may pay the amount of the alleged debt or take such other action as Landlord deems reasonably necessary to remove such claim or lien. The amount so paid and the reasonable costs incurred by Landlord shall be deemed Additional Rent under this Lease, payable within thirty (30) days following written demand by Landlord. Tenant hereby indemnifies and holds Landlord harmless from and against any and all claims, demands, liabilities, and expenses, including attorney's fees, arising from any breach by Tenant of this Section 6.5.3.

6.6 OWNERSHIP AND REMOVAL OF IMPROVEMENTS, FIXTURES, EQUIPMENT AND FURNISHINGS.

6.6.1 **"Tenant's Property"** shall mean all personal property, furnishings, machinery, trade fixtures, equipment, and improvements (trade or otherwise) which Tenant installs in the Premise. Until or upon the termination or expiration of the Term, Tenant may remove Tenant's Property from the Premises no later than the termination or expiration date of the Term. In addition, Tenant may remove from the Premises all items installed by Tenant that are indicative of Tenant's business and may otherwise "de-identify" the Premises as Tenant reasonably believes necessary or appropriate for the protection of Tenant's interest in Tenant's trademarks, trade names, or copyrights. Tenant shall repair any damage to the Premises or the Building caused by such removal, including patching and filling holes. Notwithstanding the foregoing, in no event shall Tenant be entitled pursuant to this Section 6.6.1 to remove, nor shall Tenant be required to remove, any restroom fixtures, flooring, ceilings, walls, utility or electrical components located inside the walls, or any portions of the HVAC system(s). Landlord shall not have the right to place or permit liens or other encumbrances on any of Tenant's Property, and Landlord waives and releases any and all liens, whether statutory or under common law, on Tenant's Property which may be located from time to time in or about the Premises.

6.6.2 Any of Tenant's Property not removed from the Premises on the date this Lease terminates or expires shall be deemed abandoned, without notice to Tenant, and shall thereupon become the property of Landlord.

7. INSURANCE; INDEMNITY.

7.1 **TENANT'S INSURANCE.** As of the Scheduled Delivery Date through the expiration or earlier termination of the Term of this Lease, Tenant shall obtain and keep in full force and effect the following insurance, which may be provided under blanket insurance policies covering other properties as well as the Premises and shall be maintained with an insurance company with an A.M. Best Company ("**Best's**") rating of at least A- and a Best's financial performance rating of at least VII. Upon Landlord's request, Tenant will provide Landlord access to an internet website that certifies Tenant's current insurance coverage in a Memorandum of Insurance.

7.1.1 **Liability Insurance.** Bodily injury, personal injury, and property damage insurance, including by blanket endorsement, naming Landlord, as well as Landlord's managing agent, as additional insureds, against Tenant's liability arising out of Tenant's use or occupancy of the Premises, and Tenant's outdoor seating area (if any). In no event shall this additional insured status extend to the independent liability or negligence of the additional insured or where Tenant does not have an obligation pursuant to Section 7.4 of this Lease. In the event that Tenant elects to sell beer and wine from the Premises, Tenant's liability insurance required herein shall include liquor liability coverage. Tenant's liability insurance coverage shall at all times during the term of this Lease include an "each occurrence" limit of not less than Two Million Dollars (\$2,000,000) and a general aggregate limit of not less than Five Million Dollars (\$5,000,000).

7.1.2 **Property Insurance.** Commercial property form insurance with a special form endorsement providing coverage on a replacement cost basis for Tenant's trade fixtures, equipment, and inventory in the Premises. During the Term, Tenant shall use the proceeds from any such policy or policies of insurance for the repair or replacement of the insured property unless Tenant elects to terminate this Lease pursuant to Article 9 hereof. Landlord shall have no interest in any insurance proceeds Tenant receives for Tenant's Property, and Landlord shall sign all documents which are necessary or appropriate in connection with the settlement of any claim or loss by Tenant. Tenant's policies shall not be contributing with or in excess of any coverage which Landlord shall carry on the Building/Shopping Center.

7.2 **LANDLORD'S INSURANCE.** As of the Effective Date through the expiration or earlier termination of the Term of this Lease, Landlord shall obtain and keep in full force and effect the following insurance ("**Landlord's Insurance**") from an insurance company with a Best's rating of at least A- and a

Best's financial performance rating of at least VII. Upon Tenant's request, Landlord will provide Tenant with a copy of the certificate(s) evidencing such coverage for Landlord's Insurance.

7.2.1 Liability Insurance. Bodily injury, personal injury, and property damage insurance (to include contractual liability) insuring against claims of bodily injury or death, personal injury, or property damage arising out of or in connection with: (a) Landlord's and its agents', employees', or independent contractors' conduct upon, in, or about the Premises, and Tenant's outdoor seating area, if any; and (b) events occurring in the balance of the Shopping Center, including (without limitation) the Common Areas, with an each occurrence limit of not less than One Million Dollars (\$1,000,000) and a general aggregate limit of not less than Two Million Dollars (\$2,000,000). Tenant shall be named as an additional insured under Landlord's liability insurance policies. Landlord's Insurance shall be primary with respect to any claim covered by this Section 7.2.1.

7.2.2 Property Insurance. Special Form commercial property insurance insuring the Building/Shopping Center (including all Landlord Work but excluding any property which Tenant is obligated to insure under Section 7.1.2) for the full replacement value, as such value may change from time to time. Tenant shall be named as an additional loss payee (to the extent of its interest therein from time to time) under Landlord's property insurance policy(ies).

7.3 WAIVER OF SUBROGATION. Notwithstanding any other provisions of this Lease to the contrary, neither Landlord nor Tenant shall be liable to the other or to any insurance company (by way of subrogation or otherwise) for any loss or damage to any building, structure, or other tangible property, or any resulting loss of income and benefits (even though such loss or damage might have been occasioned by the negligence of such party its agents or employees) if any such loss or damage is covered by insurance benefiting the party suffering such loss or damage, or which would have been covered by insurance required to be maintained pursuant to this Lease. This waiver of subrogation applies to covered losses above or below the property deductible. Landlord and Tenant shall require their respective insurance companies to include a waiver of subrogation provision in their respective policies in accordance with this Section 7.3.

7.4 INDEMNIFICATION BY TENANT. Provided Landlord notifies Tenant in writing of any such third-party claims within ten (10) days after Landlord becomes aware of such claim, Tenant shall defend, protect, indemnify, and hold Landlord and Landlord's agents, officers, directors, employees, and contractors harmless from and against any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including reasonable attorneys' fees) resulting in any third party claims occasioned by or arising out of: (a) Tenant's use or occupancy of the Premises and Tenant's outdoor seating area, if any; (b) any negligence or intentional conduct of Tenant or Tenant's agents, employees, or contractors; (c) any breach or default in the performance of any obligation on Tenant's part to be performed under this Lease; or (d) the failure of any representation or warranty made by Tenant herein to be true when made. This indemnity does not include the intentional or negligent acts or omissions of Landlord or its agents, officers, contractors, or employees; however, the foregoing to the contrary notwithstanding, it shall remain subject to Section 7.3 above. This indemnity shall survive the expiration or earlier termination of this Lease only as to claims arising out of events that occur during the Term and Tenant's occupancy of the Premises. Notwithstanding any provision of this Lease to the contrary, the provisions of this Section 7.4 and Tenant's covenants to provide insurance as provided in this Lease shall in no event extend to Landlord's independent liability.

7.5 INDEMNIFICATION BY LANDLORD. Landlord shall defend, protect, indemnify, and hold Tenant and Tenant's agents, officers, directors, employees, and contractors harmless from and against any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including reasonable attorneys' fees) by or on behalf of any person, entity, or governmental authority occasioned by or arising out of: (a) events occurring in the Common Areas or any other portion of the Building/Shopping Center outside the Premises (excluding those events expressly covered by Tenant's indemnification obligations set forth in Section 7.4 above, and only to the extent applicable) to the extent that Landlord has reasonable control over such events (including the actions or omissions of other Shopping Center tenant's use of such areas); (b) any negligence or intentional

conduct of Landlord or Landlord's agents, employees, or independent contractors; (c) any breach or default in the performance of any obligation on Landlord's part to be performed under this Lease; or (d) the failure of any representation or warranty made by Landlord herein to be true when made. This indemnity does not include the intentional or negligent acts or omissions of Tenant or its agents, officers, contractors, or employees; however, the foregoing to the contrary notwithstanding, it shall remain subject to Section 7.3 above. This indemnity shall survive the expiration or earlier termination of this Lease. Notwithstanding any provision of this Lease to the contrary, the provisions of this Section 7.5 and Landlord's covenants to provide insurance as provided in this Lease shall in no event extend to Tenant's independent liability.

8. ENVIRONMENTAL LIABILITY.

8.1 ENVIRONMENTAL LAW. "**Environmental Law**" means any federal, state, local law, statute, ordinance, regulation, or order and all amendments thereto pertaining to health, industrial hygiene, environmental conditions, or Hazardous Substances.

8.2 HAZARDOUS SUBSTANCE. "**Hazardous Substance**" means any substance that is actually or allegedly harmful to human life, animal life or vegetation, or any other portion of the environment; toxic substances and vapors, wastes, or pollutants; and hazardous or dangerous substances or vapors, including any substances defined, listed, and/or regulated by any Environmental Law or by common law decision including, without limitation, chlorinated solvents, petroleum products or by-products, asbestos, polychlorinated biphenyl, and mold or substances which cannot be disposed of in a common landfill or require special handling or permits in conjunction with disposal.

8.3 LANDLORD'S COVENANTS. Landlord warrants, represents, covenants, and agrees as follows:

8.3.1 To the best of Landlord's knowledge, no Hazardous Substance has been released, discharged, or disposed of on, under, or about the Premises, the Building, the Shopping Center, or the Property (or off-site of the Property which might affect the Premises, the Building, the Shopping Center, or the Property) by any entity or person or from any source whatsoever. Without limiting the foregoing, Landlord represents that the following constitutes all information in Landlord's possession or control concerning any release of Hazardous Substances on, under, or about the Premises, the Building, the Shopping Center, or the Property (or off-site of the Premises that might affect the Premises, or off-site of the Property that might affect the Premises, the Building, the Shopping Center, or the Property), including, without limitation, sampling data, environmental studies or reports, environmental site assessments, building surveys, and historical use reviews, all of which have been provided to Tenant: none.

8.3.2 Landlord shall require each of its employees, agents, contractors, subcontractors, tenants, subtenants, or any other party over whom Landlord has supervision or control or right of the same to comply with all applicable Environmental Laws.

8.3.3 Without limiting the foregoing and to the best of Landlord's knowledge: (a) there are no underground storage tanks on the Premises, the Building, the Shopping Center, or the Property; (b) no underground storage tanks have been removed from the Premises, the Building, the Shopping Center, or the Property; (c) there is no asbestos or asbestos-containing material in or on the Premises or the Building/Shopping Center, and no asbestos or asbestos-containing material has been removed from the Premises or the Building/Shopping Center; (d) no facilities involving the manufacture or disposal of any Hazardous Substance or the use or storage of more than five hundred (500) gallons of any Hazardous Substance per year, including, without limitation, gasoline stations, automobile repair facilities, dry cleaners, photo developing laboratories, junkyards, landfills, waste treatment storage, disposal, processing, or recycling facilities, have been located on or adjacent to the Premises, the Building, the Shopping Center, or the Property.

8.3.4 Landlord shall give prompt written notice to Tenant of: (a) any proceeding or inquiry by any governmental authority with respect to the presence of any Hazardous Substance on the Premises or the Building/Shopping Center (or off-site of the Premises that might affect the Premises) or

related to any loss or injury that might result from any Hazardous Substance; (b) all claims made or threatened by any third party against Landlord or the Premises, the Building, the Shopping Center, or the Property relating to any loss or injury resulting from any Hazardous Substance; and (c) Landlord's discovery of any occurrence or condition on the Premises, the Building, the Shopping Center, or the Property (or off-site of the Premises that might affect the Premises) that could cause the Premises or the Common Areas, if any, or any part of either, to be subject to any restriction on occupancy or use of the Premises under any Environmental Law.

8.3.5 Subject to Tenant's obligations set forth in Section 8.5.1, if any Hazardous Substance is deposited, released, stored, disposed, discovered, or present in or on the Premises, the Building, the Shopping Center, or the Property, Landlord, at Landlord's expense, shall promptly and diligently, to the extent required by any applicable law, including, without limitation, any Environmental Laws, rules, regulations, and policies of any governmental entity with jurisdiction over the same, and in compliance with such laws, remove, transport, and dispose of such Hazardous Substance. Landlord, at Landlord's expense, shall promptly and diligently investigate any claim from Tenant concerning the presence or suspected presence of a Hazardous Substance on or in the Property, the Building, or the Premises, including, without limitation, the sampling, monitoring, and analysis of soil (both surface and subsurface), groundwater, and air quality (both indoor and outdoor). Such investigation shall be performed by environmental contractors reasonably acceptable to Tenant. Landlord shall use its best efforts to minimize direct and indirect impact on Tenant, including its operations in the Premises and effective use of the Common Areas, if any, during all activities related to remediation. Without limiting the foregoing, prior to the Commencement Date, Landlord shall, at its sole cost and expense, remove all asbestos and asbestos-containing material from the Premises. If any asbestos or asbestos-containing material is discovered in the Premises during Tenant's inspection of the Premises, construction of its initial or subsequent tenant improvements, or at any other time during the Term, then Landlord shall promptly remove the same or cause it to be removed at Landlord's sole cost and expense and, if the foregoing delays the construction or installation of Tenant's improvements, then the Rent Commencement Date shall be extended for one (1) day for each day of delay. In the event there shall now or in the future exist any Hazardous Substances in, on, under, or about the Premises, the Building, the Shopping Center, or the Property (not caused by Tenant) that materially and adversely affect Tenant's use of or operations from the Premises, access to or visibility of the Premises, Tenant's construction of its improvements, or Tenant's use of the Common Areas (collectively, "**Interference**"), then (i) Base Rent and all other charges payable under this Lease shall be equitably abated in proportion to the effect of the Interference on Tenant's operations; (ii) if Tenant, in its sole discretion, decides to cease operating in the Premises, then (a) all Base Rent and all other charges payable under this Lease shall abate until the date on which Tenant is reasonably able to reopen for business from the Premises without any Interference, and (b) for each day of closure, Landlord shall pay to Tenant, as liquidated damages and not as a penalty, the sum of Three Hundred Dollars (\$300) per diem; (iii) if such Interference occurs prior to the Rent Commencement Date, then the Rent Commencement Date shall be delayed for one (1) day for each day of Interference (notwithstanding anything in Section 3.1 of this Lease to the contrary); and (iv) if such Interference continues for more than ninety (90) days, Tenant may terminate this Lease, in which event Landlord shall pay to Tenant within twenty (20) days of the date Tenant vacates the Premises an amount equal to the unamortized portion (based on a straight-line amortization over the Initial Term) of Tenant's store development costs incurred in connection with the Premises, including, without limitation, attorneys' fees, design fees, consultant fees (whether the foregoing fees are incurred by outside or in-house personnel), permitting fees, site selection costs, and construction costs, plus all other costs and expenses incurred by Tenant in connection with this Lease and the Premises.

8.4 TENANT'S USE OF ANY HAZARDOUS SUBSTANCE. The only Hazardous Substances Tenant may use in its operations are cleaning solutions and other substances as are customarily used in Tenant's business. Tenant will manage such use in accordance with the Environmental Laws.

8.5 INDEMNITIES.

8.5.1 Tenant shall protect, defend, indemnify, and hold harmless Landlord and Landlord's employees, agents, parents, and subsidiaries from and against any and all loss, damages, costs,

claims, damage, expense, or liability, including, without limitation, attorneys' or other professional fees, and the costs of repairs and improvements necessary to return the Premises to the physical condition existing prior to undertaking any activity related to any Hazardous Substance ("**Claims**") actually incurred by Landlord directly arising out of or attributable to Tenant's or Tenant's agents', contractors', or employees' use, manufacture, storage, release, or disposal of a Hazardous Substance on the Premises or the Building/Shopping Center. This indemnity shall survive the termination of this Lease.

8.5.2 Landlord shall protect, defend, indemnify, and hold harmless Tenant and its agents, officers, directors, contractors, employees, parents, subsidiaries, successors, and assigns from and against any Claims directly or indirectly related to a violation of or responsibility under Environmental Laws unless such Claims are directly related to Tenant's, or Tenant's agents', contractors' or employees' use, manufacture, storage, release, or disposal of a Hazardous Substance on the Premises or the Building/Shopping Center. This indemnity shall survive the termination of this Lease. In the event that any Environmental Law or any remedial or response activity concerning Hazardous Substances in, on, under, or about the Premises, the Building, the Shopping Center, or the Property (not caused by Tenant) adversely affects Tenant's operations in the Premises or effective use of any Common Areas, in addition to all other remedies provided in this Lease, Tenant may cease operating (if Tenant has elected to operate in the Premises) and, in such event, Base Rent and all other charges shall be abated. If such Interference shall continue for ninety (90) days, Tenant may terminate this Lease.

9. DAMAGE OR DESTRUCTION.

9.1 MATERIAL DAMAGE. If the Premises or the Building/Shopping Center are damaged or destroyed by fire or any casualty which cannot, despite diligent, good faith efforts be repaired or restored within one hundred eighty (180) days following the date on which such damage occurs, then Tenant may elect to terminate this Lease effective as of the date of such damage or destruction. Within thirty (30) days after the date of such damage, the parties shall reasonably determine how long the repair and restoration will take. After that determination has been made, Tenant shall have a period of thirty (30) days to terminate this Lease by giving written notice to Landlord.

9.2 REPAIR AFTER DAMAGE. If Tenant does not give written notice of Tenant's election to terminate as provided in Section 9.1, then Landlord shall, subject to the provisions of this Section, immediately commence and diligently pursue to completion the repair of such damage so that the Premises, the Building/Shopping Center are restored to a condition of similar quality, character, and utility for Tenant's purposes, including restoration of all items described on Exhibit C existing in the Premises prior to such damage. In the event there is no Exhibit C to this Lease, Landlord shall restore the Premises, the Building/Shopping Center to a condition of similar quality, character, and utility for Tenant's purposes prior to such damage. Notwithstanding anything contained herein to the contrary, if the Premises, the Building/Shopping Center are not repaired and restored within one hundred eighty (180) days from the date of the damage, Tenant may terminate this Lease at any time before Landlord completes the repairs and delivers the restored Premises to Tenant. If Tenant does not so terminate, Landlord shall diligently continue to restore the Premises. In the event of termination, Landlord shall return any prepaid Base Rent and other prepaid amounts to Tenant within thirty (30) days from the date of termination of this Lease.

9.3 UNINSURED DAMAGE. If damage or destruction is caused by a peril not required to be insured against hereunder and for which insurance proceeds are not available, either Landlord or Tenant may terminate this Lease by thirty (30) days' written notice to the other of its election so to do and this Lease shall be deemed to have terminated as of such date unless the other party agrees in writing to pay for such repairs or restoration.

9.4 DAMAGE DURING FINAL TWO YEARS.

9.4.1 If any damage or destruction occurs to the Premises during the last two (2) years of the Initial Term or any Extension Term and the cost to repair the damage to the Premises only exceeds

One Hundred Thousand Dollars (\$100,000), Tenant may (in its sole discretion) terminate this Lease upon giving Landlord (30) days' prior written notice.

9.4.2 If any damage or destruction occurs to the Shopping Center (exclusive of any damage to the Premises) during the last two (2) years of the Initial Term or any Extension Term and such damage to the Shopping Center materially and adversely affects Tenant's ability to operate from the Premises, and reasonable access to the Premises for Tenant's customers is materially and adversely impaired, then either Landlord or Tenant may terminate this Lease upon giving the other party thirty (30) days' written notice.

9.5 **LANDLORD'S RIGHT TO TERMINATE.** If the Shopping Center is substantially damaged and Landlord decides to demolish the Shopping Center and not to replace it with a similar shopping center, then Landlord may terminate this Lease within thirty (30) days after the date of such damage if it also terminates the leases of all other tenants in the Shopping Center.

9.6 **ABATEMENT OF RENT.** If Landlord is required to repair or restore the Premises or the Building/Shopping Center under any provision of this Article and Tenant's use of the Premises is affected, then until Landlord completes such repair or restoration, Base Rent and Annual Additional Rent shall abate from the date of destruction based on the degree of impact such damage and repairs have on Tenant's operations within the Premises as measured by the proportionate reduction in Tenant's sales volume.

10. PROPERTY TAXES.

10.1 **DEFINITION OF "REAL PROPERTY TAXES".** For purposes of this Lease, "**Real Property Taxes**" shall include general real estate taxes and assessments payable with respect to the Property that are imposed by any authority having the power to tax any legal or equitable interest of Landlord in the Property; provided, however, that assessments shall be prorated and divided into the maximum number of installments permitted by law and only the current portion shall be included in Real Property Taxes for any Lease Year. Notwithstanding the foregoing, Real Property Taxes shall not include (a) any inheritance, estate, succession, transfer, gift, franchise, or capital stock tax; (b) any gross or net income taxes; (c) any excise taxes imposed upon Landlord based upon gross or net rentals or other income received by it; or (d) Real Property Taxes assessed against the Property for periods of time prior to the Rent Commencement Date.

10.2 **PAYMENT OF REAL PROPERTY TAXES.** As of the Rent Commencement Date, Landlord represents and warrants that (a) Landlord has paid in full all Real Property Taxes due as of the Rent Commencement Date, (b) Landlord shall pay when due all future Real Property Taxes, and (c) the tax parcel number of the Property is set forth on **Exhibit A**. Landlord shall render to Tenant, promptly after the receipt of the tax bill applicable to the Premises for a given period during the Term, a full, complete, and legible copy of such tax bill and a detailed statement showing the amount of Real Property Taxes and indicating in reasonable detail the items included in Real Property Taxes and the computation of Tenant's Pro Rata Share of Real Property Taxes. For each Lease Year during the Term, Tenant shall pay Landlord, as additional rent, Tenant's Pro Rata Share of Real Property Taxes in the manner set forth in Article 12. Subject to making estimated payments pursuant to Article 12, Tenant shall pay Real Property Taxes only as such taxes become due and payable during the Term (as defined in Section 2.1), prorated for any partial assessment period occurring immediately before the Rent Commencement Date and after the Expiration Date. If Real Property Taxes assessed against the Property for periods of time during the Term are billed by the applicable taxing authorities following the expiration or earlier termination of the Term, the parties agree that the Real Property Taxes for such period during the Term shall be calculated based on the Real Property Taxes billed by the applicable taxing authorities for the immediately preceding period during the Term, in full satisfaction of such reimbursement obligation to Landlord. In the event the taxing authority offers a discounted tax rate or a penalty rate based on the date of payment, Tenant's property tax shall be calculated at the lowest possible discounted amount regardless of the date of Landlord's payment to the taxing authority. Tenant shall have the right to challenge, at its sole expense, the Real Property Taxes, and Landlord agrees to provide whatever assistance or cooperation that Tenant may reasonably require, including Landlord's agreement to sign all necessary instruments in connection with such application or

appeal. Upon the request of Tenant, and if required to preserve the right to challenge such taxes, Landlord will pay all Real Property Taxes under protest or in such other manner as will preserve the right to challenge such taxes. Tenant may challenge Real Property Taxes if Tenant pays any protested amount to Landlord. Landlord will reimburse Tenant for Tenant's Pro Rata Share of any refund of Real Property Taxes received as a result of any tax contest.

10.3 PERSONAL PROPERTY TAXES. Tenant shall pay, prior to delinquency, all personal property taxes assessed against Tenant directly and applicable to its personal property located in the Premises.

11. UTILITIES. At Landlord's sole cost and expense, Landlord shall ensure that all building systems of the Building/Shopping Center are seismically and otherwise sound and will meet all state and local codes and requirements. Prior to the Commencement Date, Landlord shall install separate meters for gas, electric, water and sewer services at the Premises in such locations which are accessible to Tenant. Landlord shall install, provide and maintain such meters at Landlord's sole cost and expense during the Term of this Lease. Subsequent to the Commencement Date, Tenant shall pay directly to the applicable utility provider the utility charges for all water, sewer, gas and electricity used by Tenant during the Term. Landlord acknowledges that Tenant has the right to contract with and use its own energy service providers and until it does so Landlord may use its own energy service providers to serve the Premises.

12. TENANT'S PRO RATA SHARE OF COMMON AREA OPERATING EXPENSES, INSURANCE AND TAXES.

12.1 GENERAL DEFINITIONS. The term "**Operating Expenses**" shall mean the reasonable and necessary out-of-pocket costs and expenses actually paid in any calendar year directly attributable to maintaining, operating, and providing services to and for the Common Areas without duplication, including the costs of utilities, maintenance, supplies, and wages, and subject to the exceptions set forth in Section 12.5. The term "**Common Areas**" shall mean all portions of the Building/Shopping Center (excluding the Premises and any other space in the Building/Shopping Center designed to be leased to another tenant for its exclusive use) including landscaped areas, parking lots, and (b) the maintenance and repair of all parking areas, sidewalks, landscaping and drainage systems on the Property, and all utility systems (including mechanical and electrical) and plumbing systems which serve the Building/Shopping Center as a whole and not a particular tenant's premises. The terms "**Landlord's Insurance**" and "**Real Property Taxes**" shall have the meanings assigned in Sections 7.2 and 10.1, respectively, and shall not be included in Operating Expenses for any purpose, including, without limitation, the calculation of any management or administrative fees.

12.2 DEFINITION OF TENANT'S PRO RATA SHARE. Tenant's Pro Rata Share shall be the ratio of the Gross Leasable Area of the Premises to the Gross Leasable Area in the Shopping Center ("**Tenant's Pro Rata Share**"). For purposes of this Lease, "**Gross Leasable Area**" of any tenant's premises in the Shopping Center (other than Tenant's Premises) means the number of gross square feet of leasable floor area (regardless of whether such area is occupied or enclosed) intended primarily for the exclusive use by an occupant for any length of time, including, without limitation, garden centers used for the sale and display of merchandise and storage space within or immediately adjacent to an occupant's premises, but excluding any Shopping Center management office, Common Area, maintenance storage areas, and Common Area community room. Such Gross Leasable Area of any premises shall be measured from the exterior face of exterior walls and the exterior face of service corridor walls, the line along the front of the such premises where it abuts the sidewalk or other Common Area (which line is commonly known as the "lease line"), and the center line of any demising wall that such premises shares with other leasable areas of the Shopping Center. Tenant's Pro Rata Share is estimated to be 9.5%. Landlord represents that as of the date hereof, the Shopping Center contains 19,924 square feet of Gross Leasable Area. If the number of square feet of Gross Leasable Area in the Shopping Center increases during the Term, then Tenant's Pro Rata Share shall be adjusted accordingly. In no event shall Tenant's Pro Rata Share increase.

12.3 TENANT'S PAYMENT. Commencing on the Rent Commencement Date, for each calendar year of the Term (prorated for any calendar year falling partially within the Term), Tenant shall pay

to Landlord, as additional rent, Tenant's Pro Rata Share of Operating Expenses, Landlord's Insurance, and Real Property Taxes (collectively, "**Annual Additional Rent**"). Prior to the Rent Commencement Date and at least thirty (30) days prior to the beginning of each calendar year thereafter, Landlord shall furnish to Tenant a written statement setting forth (a) the amount Landlord estimates Landlord will pay for Operating Expenses (broken down into reasonable categories), Real Property Taxes, and Landlord's Insurance for the then upcoming calendar year; (b) Landlord's estimate of Tenant's Annual Additional Rent; and (c) a calculation of one-twelfth (1/12th) of Landlord's estimate of Tenant's Annual Additional Rent ("**Monthly Estimated Rent**"). Landlord's estimates of Tenant's Annual Additional Rent shall be reasonably based on the actual amounts paid by Tenant for such expenses during the previous year. Tenant shall pay to Landlord the Monthly Estimated Rent beginning on the Rent Commencement Date and on the first day of every successive calendar month thereafter during the Term. Monthly Estimated Rent for a period of less than one (1) month shall be prorated on a daily basis based on a three hundred sixty-five (365)-day year. Notwithstanding any provision of this Lease, Tenant's Pro Rata Share of Real Property Taxes, Landlord's Insurance, and Operating Expenses from the Rent Commencement Date through the end of the first full calendar year (prorated for any partial calendar year) shall not exceed Thirteen and 50/100 Dollars (\$13.50) per square foot of Gross Leasable Area in the Premises. Notwithstanding anything contained herein to the contrary, the portion of Tenant's Annual Additional Rent attributable to Operating Expenses (excluding Real Property Taxes and Landlord's Insurance) for any calendar year following the first full calendar year of the Term shall not exceed one hundred five percent (105%), on a non-cumulative basis, of the portion of Tenant's Annual Additional Rent attributable to Operating Expenses payable by Tenant for the previous calendar year.

12.4 RECONCILIATION. For each calendar year of the Term, within ninety (90) days after the end of each calendar year, Landlord shall furnish to Tenant, at the notice address provided in Article 25, a statement in reasonable detail and certified as complete and correct by an authorized representative of Landlord, including supportive documentation, setting forth (a) Landlord's actual costs for Operating Expenses, Real Property Taxes, and Landlord's Insurance for that year by category and amount; (b) the amount of Tenant's Annual Additional Rent; and (c) the sum of Tenant's Monthly Estimated Rent payments made during the year. If the amount of Tenant's Annual Additional Rent exceeds the sum of Tenant's Monthly Estimated Rent payments (and a statement has been received during such 90-day period), Tenant shall pay the deficiency to Landlord within forty-five (45) days after Tenant's receipt of such statement, provided that Tenant may suspend payment of any amount which (x) it disputes in good faith, (y) was paid by Landlord in a calendar year other than the year covered by the statement, or (z) it has not been provided with reasonable details as set forth above, until resolution thereof. If the sum of Tenant's Monthly Estimated Rent payments during the year exceeds the amount of Tenant's Annual Additional Rent, Landlord shall pay the excess to Tenant at the time Landlord furnishes the statement or, if the Term has not expired, may credit the excess toward the payments of Base Rent and Tenant's Monthly Estimated Rent next falling due. Landlord shall be deemed to have waived its right to payment for any amount which is understated or not included in the statement for the year in which the work was performed or the cost was billed to Landlord and for which Tenant has not received a notice of such correction to Landlord's statement within twelve (12) months of the calendar year end of the year in which such work was performed or such cost was billed to Landlord. Tenant shall not be required to reimburse Landlord for any amounts claimed to be due Landlord in connection with any reconciliation not produced by Landlord within twelve (12) months after the time period referenced above. Tenant will have no obligations to pay or reimburse Landlord for any expense included in Annual Additional Rent that was incurred or billed before the date that the then-current Landlord purchased the Property from the previous landlord.

12.5 EXCLUSIONS FROM OPERATING EXPENSES. Notwithstanding anything to the contrary contained in this Lease, Operating Expenses shall not include: (a) the initial costs of any item properly chargeable to a capital account (using generally accepted accounting principles consistently applied) nor the original costs of constructing the Building/Shopping Center; (b) the cost of any capital addition, repair, or replacement to the Building, the Shopping Center, or the Property (nor reserves therefor); (c) expenses for which Landlord is or will be reimbursed by another source (excluding Tenant's reimbursement for Operating Expenses), including, but not limited to, repair or replacement of any item covered by warranty; (d) costs incurred to benefit (or as a result of) a specific tenant or items and services selectively supplied to any specific tenant; (e) expenses for the defense of Landlord's title to the Property; (f) structural repairs

and replacements; (g) depreciation and amortization of the Building/Shopping Center or financing costs, including interest and principal amortization of debts; (h) charitable, lobbying, special interest, or political contributions; (i) costs of improving or renovating space for a tenant or space vacated by a tenant; (j) any amounts expended by Landlord to comply with any Environmental Laws; (k) costs to correct original or latent defects in the design, construction, or equipment of the Building/Shopping Center; (l) any repair, rebuilding, or other work necessitated by condemnation, fire, windstorm, or other insured casualty or hazard; (m) any expenses incurred (i) to comply with any governmental laws, regulations, and rules or any court order, decree, or judgment including, without limitation, the Americans with Disabilities Act; or (ii) as a result of Landlord's alleged violation of or failure to comply with any governmental laws, regulations, and rules or any court order, decree, or judgment; (n) leasing commissions, advertising expenses, and other costs incurred in leasing or procuring new tenants; (o) rental on ground leases or other underlying leases; (p) attorneys' fees, accounting fees, and expenditures incurred in connection with tax contests or negotiations, disputes, and claims of other tenants or occupants of the Building or the Shopping Center or with other third parties, except as specifically provided in this Lease; (q) cost of the initial stock of tools and equipment for operation, repair, and maintenance of the Building/Shopping Center; (r) any duplicate expenses or costs; (s) amounts billed (directly or indirectly) for salaries, overhead, and expenses for office rent and office supplies; (t) administrative (in the aggregate) which exceed ten percent (10%) of the Operating Expenses; and (u) any fines, penalties, interest, liability, liens, assessments, costs, expenses or other fees or amounts imposed upon Landlord or the Property under any covenants, conditions, restrictions, easements or similar agreements as a result of Landlord's or any other third party's failure to perform any obligations or to pay any amounts due thereunder. As noted in Section 12.1 above, Landlord's calculation of administrative shall not be based on any charges related to Landlord's Insurance, and/or Real Property Taxes.

12.6 RECORDS. Landlord shall keep records showing all expenditures incurred as Operating Expenses, Landlord's Insurance, and Real Property Taxes for each calendar year for a period of three (3) years following each year, and such records shall be made available for inspection and photocopying by Tenant and/or its agents during ordinary business hours in the city in which the Premises are located.

12.7 DISPUTE RESOLUTION. Any dispute with respect to Landlord's calculations of Tenant's Annual Additional Rent shall be resolved by the parties through consultation in good faith within ninety (90) days after written notice by Tenant to Landlord. However, if the dispute cannot be resolved within such period, the parties shall request an audit of the disputed matter from an independent, certified public accountant selected by both Landlord and Tenant, whose decision shall be based on generally accepted accounting principles and shall be final and binding on the parties. If there is a variance of five percent (5%) or more between said decision and Landlord's determination of Tenant's Annual Additional Rent, Landlord shall pay the costs of the audit and shall credit any overpayment toward the next Base Rent and/or Monthly Estimated Rent payment falling due or pay such overpayment to Tenant within thirty (30) days of completion of the audit. If the variance is less than five percent (5%), Tenant shall pay the cost of said audit. Each party agrees not to enforce any alleged reconciliation defaults during the period in which the parties are exercising such good faith resolution efforts prior to a final audit determination.

13. ASSIGNMENT AND SUBLETTING. Landlord's consent, which Landlord will not unreasonably withhold, delay or condition, is required for any assignment or subletting; provided, however, that Tenant may, without Landlord's consent, but upon written notice to Landlord, sublet all or any portion of the Premises or assign the Lease to (a) a parent, subsidiary, affiliate, division or other entity controlling, controlled by, or under common control with Tenant; (b) a successor entity related to Tenant by merger, consolidation or reorganization; or (c) any entity that engages in a restaurant use that, provided that, it does not conflict with any then-existing exclusive use rights, including without limitation, the then-existing sale of an Existing Exclusive Item by the Existing Exclusive Operator. Unless released in writing, Tenant will remain liable for financial performance pursuant to the Lease.

With respect to a subletting of the Premises by Tenant, Landlord will be entitled to receive fifty percent (50%) of the difference between the rent payable under this Lease and the rent payable under the sublease after deducting all third-party transfer expenses incurred by Tenant.

For purposes of the Lease, any sale or transfer of capital stock, including redemption or issuance of additional stock of any class, will not be deemed an assignment, subletting or transfer of the Lease.

14. DEFAULTS; REMEDIES.

14.1 TENANT'S DEFAULTS. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

(a) Failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) business days after Tenant's receipt of Landlord's notice in writing of such failure; or

(b) Failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than the payment of sums due hereunder, where such failure shall continue for a period of thirty (30) days after Tenant's receipt of Landlord's written notice thereof; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within such thirty (30)-day period and thereafter diligently pursues such cure to completion.

14.2 REMEDIES IN DEFAULT. In the event of any such default which remains uncured after the expiration of the applicable notice and cure period(s) specified above, Landlord may, in accordance with procedures required by law, pursue one or a combination of the following remedies at law or equity:

(a) In the event of a material default, Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall surrender possession of the Premises to Landlord within thirty (30) days after Tenant's receipt of Landlord's written notice of termination. Landlord shall not be entitled to terminate this Lease during any time that the parties are involved in a good faith dispute regarding the existence of an alleged material default. In the event Landlord is permitted to terminate this Lease as set forth herein, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, expenses of re-letting (but excluding necessary renovation and alteration of the Premises for use by a subsequent tenant or occupant), and the Base Rent and Annual Additional Rent as it becomes due hereunder; provided that Tenant shall be entitled to a credit against such amounts equal to (i) the amounts received by Landlord by re-leasing the Premises or otherwise mitigating its damages or (ii) if Landlord fails to re-lease the Premises, the fair market rental value of the Premises for the applicable period. Notwithstanding anything in this Lease to the contrary, in no event shall Tenant be liable for any consequential damages. If Landlord relets the Premises, then any rent or other concessions given to the new tenant shall be prorated evenly throughout the entire term of the new lease; or

(b) Landlord may maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the Base Rent and Annual Additional Rent as it becomes due hereunder.

Notwithstanding the foregoing, with respect to any remedy exercised by Landlord, Landlord shall have an affirmative obligation to obtain another tenant for the Premises promptly, at a fair market rental, and to otherwise mitigate its damages.

14.3 LANDLORD DEFAULTS AND REMEDIES. The occurrence of any one (1) or more of the following events shall constitute a default and breach of this Lease by Landlord: (a) Landlord's failure to do, observe, keep, and perform any of the terms, covenants, conditions, agreements, or provisions of this Lease required to be done, observed, kept, or performed by Landlord within thirty (30) days after written notice by Tenant to Landlord of said failure (except when the nature of Landlord's obligation is such that

more than thirty [30] days are required for its performance, then Landlord shall not be deemed in default if it commences performance within the thirty [30]-day period and thereafter diligently pursues the cure to completion); or (b) the failure of any representation or warranty to be true when deemed given hereunder. Notwithstanding the foregoing, in the event Landlord's breach creates an emergency situation or is of such a nature that impairs Tenant's ability to operate at the Premises (which shall include, by way of illustration and not limitation, obstructions or disruptions to common areas, parking, access to the Premises or the Shopping Center, visibility, utilities, health and safety, and quiet enjoyment), then Landlord shall be required to remedy such breach as soon as commercially reasonable and in any event without delay. In the event of a default by Landlord, Tenant, at its option, upon written notice to Landlord, shall have the right to any one or more of the following remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (w) to remedy such default or breach and deduct the costs thereof (including attorneys' fees) from the installments of Base Rent and Annual Additional Rent next falling due; (x) to pursue the remedy of specific performance; (y) to seek money damages for actual, reasonable costs, expenses and loss arising from Landlord's failure to discharge its obligations under this Lease; and (z) to terminate this Lease. Notwithstanding anything in this Lease to the contrary, in no event shall Landlord be liable for any consequential damages. Nothing herein contained shall relieve Landlord from its obligations hereunder, nor shall this Section be construed to obligate Tenant to perform Landlord's repair obligations.

15. CONDEMNATION.

15.1 CONDEMNATION OF PREMISES. If any portion of the Premises is taken by a government entity exercising the power of eminent domain or sold to a government entity by Landlord under the exercise of said power (the final judicial order that permits the taking is herein referred to as "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes possession of the condemned portion of the Premises ("**Condemnation Date**"). If so much of the Premises is taken that, in Tenant's reasonable business judgment, the Premises are no longer reasonably suitable for Tenant's operations, Tenant may terminate this Lease. If the entire Premises are condemned, then this Lease shall automatically terminate as of the Condemnation Date. The party who receives the condemnor's notice of intention to take ("**Condemnation Notice**") shall immediately give a copy of such notice to the other party.

15.2 CONDEMNATION OF THE PROPERTY. If, as a result of any condemnation of the Property or any portion thereof (even though the Premises are not physically affected), either (a) the Premises, the Building, the Shopping Center, or Property are no longer reasonably suited for the conduct of Tenant's business in Tenant's reasonable business judgment; (b) the number of parking spaces on the Property is reduced by more than one (1) space within the Sunset Parking area (as defined in Section 21 below), and/or more than five(5) spaces within the Subterranean Parking (as defined in Section 21 below) and Landlord does not provide alternative equally accessible parking; then Tenant may terminate this Lease at any time after Tenant receives the Condemnation Notice by giving Landlord thirty (30) days' written notice.

15.3 CONDEMNATION OF THE BUILDING/SHOPPING CENTER. If a condemnation of any portion of the Building or the Shopping Center (even though the Premises are not physically affected) renders the Building or the Shopping Center unsuitable for use as a retail building or shopping center in either party's reasonable business judgment, then either Landlord or Tenant may terminate this Lease by giving the other at least thirty (30) days' written notice. Notwithstanding the foregoing, Landlord may only exercise its right to terminate under this Section if Landlord terminates the leases of all other tenants in the Shopping Center.

15.4 RESTORATION. If this Lease is not terminated, (a) it shall remain in full force and effect as to the portion of the Premises remaining, provided the Base Rent and all other charges payable hereunder shall be reduced in the same proportion that the area taken bears to the total area of the Premises prior to taking; and (b) Landlord shall use the condemnation award to restore the Premises, the Building/Shopping Center as soon as reasonably possible to a complete unit of the same quality, character, and utility for Tenant's purposes existing prior to the condemnation. Notwithstanding anything contained herein to the contrary, if the restoration of the Premises, the Building/Shopping Center is not commenced

within thirty (30) days of Landlord's receipt of the condemnation award or is not completed within one hundred eighty (180) days from the Condemnation Date, then Tenant may terminate this Lease at any time before Landlord completes the restoration. If this Lease is terminated, Landlord shall return any deposits, all prepaid Base Rent, and other prepaid sums to Tenant within thirty (30) days of the date of termination of this Lease.

15.5 **AWARD.** Landlord and Tenant may each pursue any condemnation award to which it is entitled by applicable law. Tenant may recover from the condemning authority or from Landlord (if Tenant can show that such amount was included in Landlord's award) that portion of any net award or payment attributable to Tenant's work or installations in the Premises, including, without limitation, the unamortized value of improvements installed in the Premises by Tenant at Tenant's expense based on straight-line depreciation over the Initial Term without regard to the condemnation. For the purposes of this Section, a "net" award or payment shall mean the entire award or payment for such taking, less the actual and reasonable expenses incurred in collecting such award or payment.

16. **SIGNAGE.** Tenant, at its cost, shall have the right to install or place signs, awnings, or other advertising materials in, on, or about the Premises or on the Building to the maximum extent permitted by local law, and as approved by Landlord in accordance with Landlord's master sign criteria (if any) for the Building/Shopping Center, which approved signage shall be substantially as described and depicted on **Exhibit B-2**, including Tenant's trademarked name(s), colors, letters, font and logo. Further, Tenant shall have exclusive rights to re-purpose and re-use (at Tenant's sole cost and expense) the existing Burger Lounge "**Blade Sign**" which is affixed to the Sunset Boulevard elevation of the Building. Tenant shall be responsible for the manufacture, installation, and ongoing maintenance and repair of its signage at Tenant's sole cost and expense.

Landlord shall not vary or change the location, size or position of Tenant's signage, including, without limitation, the position of Tenant's signage on any pylon or monument signs. Notwithstanding anything contained herein or in Landlord's sign criteria to the contrary, Landlord hereby consents to, and Tenant shall be permitted to install, Tenant's then-current trademarked name(s), colors, letters, font and logo in Tenant's signage as depicted on **Exhibit B-2**. Notwithstanding anything contained herein to the contrary, Tenant shall not be required to obtain Landlord's consent for any promotional or advertising signs or displays within the interior of the Premises. Landlord shall not allow any signage other than Tenant's to be erected on the exterior walls of the Premises or on the roof above the Premises, or which obstructs or affects the visibility of the Blade Sign from Sunset Boulevard.

If Landlord materially changes Landlord's Sign Criteria after Tenant executes this Lease (whether or not the changes are being required by a governing authority), then Landlord shall submit Landlord's new sign criteria ("**Landlord's New Sign Criteria**") for Tenant's review and approval (in its sole discretion) Tenant shall approve or disapprove Landlord's New Sign Criteria or request modifications to Landlord's New Sign Criteria. Landlord shall reimburse Tenant for the actual cost and expense for Tenant to remove the old signage and manufacture and install its new signage (collectively "**New Sign Costs**") to correspond with Landlord's New Sign Criteria. If Tenant does not approve Landlord's New Sign Criteria or if Landlord and Tenant fail to agree on acceptable revisions to Landlord's New Sign Criteria, Tenant may terminate this Lease by giving written notice to Landlord. If Tenant does not terminate this Lease and Landlord has not paid Tenant its New Sign Costs within thirty (30) days after Tenant installs its new signage, then in addition to any other remedies Tenant has, Tenant may offset the unpaid amount against Base Rent and all other charges (at Tenant's discretion) until the New Sign Costs are fully offset.

If Landlord requests that Tenant temporarily remove Tenant's exterior signage after installation for any reason and Tenant consents to such removal in writing, Landlord shall reimburse Tenant for the actual cost and expense incurred by Tenant to remove, store and re-install the exterior signage. If Landlord has not paid Tenant those costs and expenses within thirty (30) days after Tenant re-installs its exterior signage, then in addition to any other remedies Tenant has, Tenant may offset the unpaid amount against Base Rent and all other charges (at Tenant's discretion) until Tenant's costs and expenses are fully offset.

17. **PERMIT CONTINGENCY.** Tenant's obligations under this Lease are conditioned on Tenant obtaining any permits and/or licenses (including, but not limited to, conditional use permits, building permits, variances, and other governmental approvals) (collectively, "**Government Approvals**") that are required by applicable laws or other governing documents to enable Tenant legally to (a) construct Tenant's improvements to the Premises in accordance with the Plans; (b) install Tenant's signage on the Premises; (c) conduct its business from the Premises (including hours of operation); and (d) provide and operate outdoor seating for the Premises. Tenant shall, at Tenant's expense, initiate and pursue each Government Approval pertaining to the tenant improvements Tenant constructs inside the Premises, but not for third party approvals and exterior permits, including, without limitation, permits for the outdoor seating area, which shall be Landlord's responsibility. Landlord shall execute any applications and shall provide Tenant with such further assistance and cooperation as Tenant may require in connection with applications for such Government Approvals. If Tenant does not obtain such Government Approvals on terms satisfactory to Tenant within such period or if any Government Approvals are not renewed or are revoked during the Term, Tenant shall have the right to terminate this Lease. In the event that Tenant has not sent notice to Landlord confirming its satisfaction, waiver of, or inability to satisfy the contingency described in this Section 17, Landlord shall have the right to send notice to Tenant of Tenant's failure to do so, and shall include in such notice the fact that Tenant has thirty (30) days to respond to Landlord's notice and reciting that Tenant's failure to do so shall be deemed a termination of this Lease. Tenant shall have thirty (30) days following its receipt of Landlord's notice to respond to Landlord, to either waive the contingency or to elect to terminate this Lease, as provided in this Article 17. After a termination hereunder, neither party shall have any rights or liabilities under this Lease, and Landlord shall return any deposits and prepaid amounts to Tenant, if any; provided that, if such termination is based on Landlord's conduct, Tenant shall be entitled to pursue such other rights and remedies as may be available at law or in equity. Tenant shall vacate the Premises within thirty (30) days after exercising the option to terminate as provided in this Article 17.

18. **OUTDOOR SEATING.** If such seating is permitted by the local authorities, Landlord shall provide a minimum of 200 square feet of patio area (including any railings or buffer required per local code) for Tenant to provide outdoor seating for its customers on such property owned by Landlord immediately outside of the Premises (the dimensions and location of such area are set forth on Exhibit B, or otherwise as mutually agreed upon by Landlord and Tenant) at any time during the Term of this Lease at no additional rental. Tenant, at its cost, shall comply with all relevant state, municipal, or local laws, regulations, rules, and ordinances applicable to its operations in the outdoor seating area. Landlord shall pay for and obtain all necessary permits for the outdoor seating area. Tenant shall take reasonable steps to keep the outdoor seating area exclusively serving its customers reasonably clean and neat.

19. **TENANT'S RIGHT OF EARLY TERMINATION.** [Intentionally omitted.]

20. **TENANT'S USE OF COMMON AREAS.** Tenant shall have the right to use any and all appurtenances and easements benefiting the Premises, the Building/Shopping Center, along with sufficient Common Areas and parking to support its intended use of the Premises as well as areas necessary for Tenant's outdoor seating area(s). In addition to the foregoing, Tenant shall have the right of access to such portions of the Building/Shopping Center outside the Premises as are necessary to enable Tenant to exercise its rights under this Lease. Landlord shall not allow any permanent or temporary kiosk, cart, or other obstruction to be constructed or placed on the Property within one hundred fifty (150) feet of the Premises. Any changes, additions, or alterations to the Premises, the Property, the Building, or the Shopping Center shall not (a) impair access to, visibility of, or frontage of the Premises; (b) materially affect the conduct of Tenant's customary business therein; or (c) detract from Tenant's signage, create confusion regarding the business conducted in the Premises, or adversely affect the presentation of Tenant's exterior signage and storefront. In the event of any such interference, in addition to Tenant's other rights and remedies under applicable law and this Lease, the Base Rent and Annual Additional Rent shall be equitably abated based on the degree of interference with Tenant's business.

21. **PARKING AND ACCESS.** Landlord to provide the existing parking (the Sunset Parking and the Subterranean Parking, both as defined in this Section 21, collectively, the "**Existing Parking**") at the Property, and Tenant acknowledges that Landlord charges for parking after the free period(s) allowed for such Existing Parking. The Existing Parking shall be non-exclusive for all tenants' customers of the

Building/Shopping Center. Landlord shall not vary or permit to be varied the existing means of ingress and egress to the Building, the Shopping Center, or the Property and the Existing Parking. Landlord shall not reduce the number of parking spaces below that which is required by law for Tenant to maintain its permit to use and occupy the Premises or realign the parking spaces in a manner that makes them substantially less accessible to the Premises. Landlord will provide Tenant with non-exclusive access to the twelve (12) parking spaces on the Sunset Boulevard grade level parking, all of which will be time-limited (15 minutes or less) (collectively, the "**Sunset Parking**"). Landlord will work with Tenant to install generic signage (no specification of any tenant in the Building/Shopping Center) near the deck driveway indicating these time-limited spaces (i.e., "Parking for Pickup, Drop Off, Curbside Pickup/Delivery or Mobile Orders"). The below grade parking (the "**Subterranean Parking**") shall be available to tenant's customers (from 6:00 a.m. to midnight) for a minimum of one (1) hour of free parking while such customers are patronizing Tenant's business, provided that Tenant shall not be responsible for any charges assessed against its customers to the extent such parking exceeds the one-hour free parking limit. Notwithstanding, the Sunset Parking will be open and available for Tenant's customers earlier than 6a.m.

22. **TRASH REMOVAL.** Landlord shall make arrangements with a waste management company to provide adequate trash and mixed recycling services to the tenants of the Building/Shopping Center. Landlord will also provide a shared trash enclosure that meets applicable federal, state and local code requirements (in a location within the Subterranean Parking), and the path to the shared trash enclosure shall be well lit. If Tenant is required to share trash removal or recycling containers with other tenants, such shared containers shall be adequately sized and serviced to handle Tenant's trash and recycling requirements. Furthermore, any trash or recycling container opening shall have a maximum height of three (3) feet from ground level. If the container opening is higher than three (3) feet from ground level, an appropriate step shall be provided by Landlord so that the container opening is three (3) feet or less from the top of the step. Landlord shall pay the costs of such trash removal and recycling services (including usage of such containers) directly to the company providing such service. Tenant shall pay its Pro Rata Share for such services as part of Operating Expenses in accordance with Article 12.

23. **GENERAL PROVISIONS.**

23.1 **ESTOPPEL CERTIFICATE.** Tenant shall, no more than twice in any Lease Year and upon not less than thirty (30) days' prior written notice from Landlord (addressed to Tenant as set forth in Article 25), execute, acknowledge, and deliver to any prospective purchaser or mortgagee, or to Landlord on such party's behalf, a statement in writing on Tenant's standard form or on such other form as is acceptable to Tenant (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (b) stating the date to which the Base Rent and other charges are paid and the amount of any security deposit held by Landlord, if any; and (c) acknowledging that there are not, to the actual knowledge of the person executing such certificate, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any, which are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises. Such certificates shall not affect, prejudice or waive any rights or remedies of Tenant against Landlord.

23.2 **LANDLORD'S INTERESTS.** Landlord represents and warrants to Tenant that, as of the Effective Date of this Lease: (a) Landlord owns and holds fee title in and to the Building, the Development, the Premises, and the Property enabling Landlord to enter into an enforceable lease with Tenant on the terms and conditions contained herein; (b) the real property identified on **Exhibit A** contains the Premises described in Section 1.1; (c) there are no encumbrances, liens, agreements, or covenants in effect that would limit Tenant's rights or augment Tenant's obligations hereunder, and Landlord further represents and warrants that it will not enter into any such encumbrances, liens, agreements, or covenants that do so; and (d) to Landlord's actual knowledge as of the Effective Date of this Lease, Landlord is unaware of any impending condemnation plans, proposed assessments, or other adverse conditions relating to the Property. Landlord will indemnify and hold Tenant harmless if any of the foregoing representations and warranties prove to be untrue. "**Landlord**" as used herein shall mean only the owner or owners, at the time in question, of the fee title (or a tenant's interest in a ground lease) of the Premises. In the event of an assignment or transfer of this Lease by Landlord for other than security purposes, Landlord shall cause its

assignee or transferee to assume the provisions of this Lease and deliver a new notice address to Tenant, and Landlord shall deliver written notice of such assignment or transfer and a copy of the effective instrument of transfer to Tenant within fifteen (15) days after the date of transfer. Tenant shall be entitled to continue to pay rent and give all notices to Landlord until Tenant has received the foregoing from Landlord and notice information from Landlord's transferee. Landlord shall deliver all funds in which Tenant has an interest, including, but not limited to, Tenant's security deposit, if any, to Landlord's purchaser or assignee. From and after a sale of the Premises or the Building/Shopping Center, Landlord shall be released from all liability toward Tenant arising from this Lease because of any act, occurrence, or omission of Landlord's successors occurring after the transfer of Landlord's interest in this Lease, provided Landlord's purchaser or assignee expressly assumes Landlord's duties and covenants under this Lease. Nothing herein shall be deemed to relieve Landlord of any liability for its acts, omissions, or obligations occurring or accruing up to and including the date of such transfer.

23.3 AUTHORITY. Each of Landlord and Tenant hereby represents and warrants that this Lease has been duly authorized, executed, and delivered by and on its behalf and constitutes such party's valid and binding agreement in accordance with the terms hereof.

23.4 SEVERABILITY. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

23.5 TIME OF ESSENCE. Time is of the essence to the parties executing this Lease.

23.6 INTERPRETATION. Article and Section headings are not a part hereof and shall not be used to interpret the meaning of this Lease. This Lease shall be interpreted in accordance with the fair meaning of its words, and both parties certify they either have been or have had the opportunity to be represented by their own counsel and that they are familiar with the provisions of this Lease, which provisions have been fully negotiated, and agree that the provisions hereof are not to be construed either for or against either party as the drafting party.

23.7 INCORPORATION OF PRIOR AGREEMENTS, AMENDMENTS. This Lease contains all agreements of the parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party, as designated by this Lease. Landlord waives the right to claim or assert the existence of any other modifications to this Lease. This Lease may be modified only in writing, signed by the parties in interest, at the time of the modification. Landlord specifically acknowledges that Tenant's employees at the Premises do not have authority to modify this Lease or to waive Tenant's rights hereunder.

23.8 WAIVERS. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant or Landlord of the same or any other provision. A party's consent to or approval of any act shall not be deemed to render unnecessary obtaining such party's consent to or approval of any subsequent act. No waiver shall be effective unless it is in writing, executed on behalf of Landlord or Tenant by the person to whom notices are to be addressed.

23.9 RECORDING. Landlord or Tenant may record a short form or memorandum of lease at the requesting party's expense substantially in the form attached to this Lease as **Exhibit I**. At Landlord's or Tenant's request, the parties shall execute a memorandum of lease in recordable form giving notice of such non-monetary terms as Tenant may reasonably request, including Tenant's exclusivity and option rights. If Tenant elects to record a memorandum of lease and Landlord requests in writing the removal of same upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's expense, remove the recorded memorandum from the title records.

23.10 HOLDING OVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term, with or without the consent of Landlord, such occupancy shall be a tenancy

from month-to-month at a rental in the amount of one hundred twenty-five percent (125%) of the Base Rent payable in the last month of the Term, plus all other charges payable hereunder, and upon the terms hereof applicable to month-to-month tenancies.

23.11 CUMULATIVE REMEDIES. Except where otherwise expressly provided in this Lease, no remedy or election hereunder shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity.

23.12 BINDING EFFECT; CHOICE OF LAW. This Lease shall be binding upon and benefit the parties, their personal representatives, successors, and assigns. This Lease shall be governed by the laws of the state where the Premises are located.

23.13 SUBORDINATION, NONDISTURBANCE AND ATTORNMENT. This Lease shall be subordinate to all existing mortgages and/or deeds of trust affecting the Premises as of the Effective Date of this Lease, provided that, as a condition precedent to the effectiveness of this Lease, Tenant may require that Tenant, Landlord, and Landlord's lender execute and record a subordination, non-disturbance and attornment agreement ("**SNDA**") in recordable form and substantially similar to the form attached to this Lease as Exhibit J. In addition, Landlord shall not permit any new mortgage or deed of trust to be recorded against the Property after the Effective Date and prior to recordation of the memorandum of lease unless Tenant, Landlord, and Landlord's lender first execute and record an SNDA in substantially the form attached to this Lease as Exhibit J. If requested by Landlord, Tenant agrees to subordinate this Lease to the lien of any mortgage or deed of trust subsequently placed on the Property after the memorandum of lease is recorded and to attorn to Landlord's successor following any foreclosure, sale, or transfer in lieu thereof; provided that the mortgagee, transferee, purchaser, lessor, or beneficiary ("**Landlord's Successor**") agrees, in an SNDA in form and substance satisfactory to Tenant, substantially similar to the form attached to this Lease as Exhibit J that Tenant's use or possession of the Premises shall not be disturbed nor shall its obligations be enlarged or its rights be modified by reason of any such transaction. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), this Lease shall remain in full force and effect.

23.14 LANDLORD'S ACCESS. Landlord and Landlord's agents shall have the right to enter the Premises upon forty-eight (48) hours' prior written notice for the purpose of inspecting the same, showing the same to prospective purchasers or lenders, and making such repairs to the Premises or to the Building as Landlord is obligated to make pursuant to the terms of this Lease. Notwithstanding the foregoing, in the event of an emergency requiring Landlord's entry into the Premises, Landlord may give Tenant shorter notice in any manner that is practicable under the circumstances. When entering or performing any repair or other work in, on, or around the Premises or the Building/Shopping Center, Landlord, its agents, employees, and/or contractors (a) shall identify themselves to Tenant's personnel immediately upon entering the Premises; and (b) shall not, in any way, affect, interrupt, or interfere with Tenant's use, business, or operations on the Premises or obstruct the visibility of or access to the Premises. In the event of interference with Tenant's operations in the Premises, the Base Rent and Annual Additional Rent shall be equitably abated if the interference continues for more than twenty-four (24) hours. In the event such interference shall continue for longer than six (6) months, Tenant shall have the option to terminate this Lease or continue to operate with rent abatement after such interruption has ceased for a time period equal to the duration of such interruption.

23.15 ONLY LANDLORD/TENANT RELATIONSHIP. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture, or any association between Landlord and Tenant. Landlord and Tenant expressly agree that neither the method of computation of rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of Landlord and Tenant.

23.16 ATTORNEYS' FEES. If either party brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, proceeding, trial, or appeal shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

23.17 **FORCE MAJEURE.** In the event either party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such party ("**Required Act**"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("**Force Majeure Event**"), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of delay. For purposes of this Lease, the financial inability of Landlord or Tenant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing or Landlord's failure to become the fee simple owner of the Property, shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

23.18 **CONFIDENTIALITY OF LEASE.** From and after the date lease negotiations were entered into and throughout the Term of this Lease, the parties shall not disclose any of the terms, covenants, conditions, or agreements set forth in the letters of intent or in this Lease or any amendments hereto, nor provide such correspondence, this Lease, any amendments hereto or any copies of the same, nor any other information (oral, written, or electronic) which is communicated by or on behalf of Tenant or on behalf of Landlord relating to Tenant's proposed development of the Premises (including, without limitation, architectural plans, specifications, site plans, and drawings) or Tenant's business, to any person, including, without limitation, any brokers, any other tenants in the Shopping Center, or any affiliates, agents, or employees of such tenants or brokers except as set forth herein, without Tenant's written consent or except as ordered by a court with appropriate authority, provided Landlord seeks available protective orders. Landlord hereby acknowledges that the disclosure of the foregoing to any third party would cause material damage to Tenant, and Landlord agrees to indemnify, save, and hold Tenant harmless from and against any and all damages suffered by Tenant which are attributable to any disclosure by Landlord in violation of the terms of this provision. Notwithstanding the foregoing, Landlord may disclose the terms of this Lease to those of its partners, employees, consultants, attorneys, accountants, current or potential mortgagees, lenders, or purchasers of the Property who agree to be bound by the terms of this Section and Tenant may disclose the terms of this Lease to those of its partners, employees, consultants, attorneys, accountants, and current or potential lenders, assigns, or subtenants who agree to be so bound.

23.19 **BROKERS.** Landlord agrees to pay a brokerage commission to Epstein & Associates and Westside Retail, Inc. for services provided in connection with this Lease in accordance with the terms of a separate commission agreement. Except as specifically identified in this Section, Landlord and Tenant each represent to the other that they have not dealt, directly or indirectly, in connection with the leasing of the Premises, with any other broker or person entitled to claim a commission or leasing fees. In no event may this Lease be construed to create any express or implied obligation on the part of Tenant to perform this Lease on behalf of any broker (or any person claiming a commission or leasing fee) as primary obligee or as a third party beneficiary. Landlord and Tenant each shall indemnify and hold each other harmless from any loss, liability, damage, or expense (including, without limitation, reasonable attorneys' fees) arising from any claim for a commission or leasing fee arising out of this transaction made by any unidentified broker or other person with whom such party has dealt.

23.20 CONSENTS. Whenever the right of approval or consent is given to a party pursuant to this Lease, that party shall not unreasonably withhold, condition, or delay its consent unless this Lease expressly provides otherwise.

23.21 WAIVER OF JURY TRIAL. With respect to any litigation arising out of or in connection with this Lease, Landlord and Tenant hereby expressly waive the right to a trial by jury.

23.22 OTHER STORES. Notwithstanding anything in this Lease to the contrary, under no circumstances do the parties to this Lease intend to limit or otherwise affect in any way the ability or right of Tenant and Tenant's affiliates to open, operate, merchandise, or close any stores anywhere, regardless of the proximity to the Premises or the potential or actual effect of the opening, operation, merchandising, or closing of such stores, and further regardless of any obligations or rights based on the sales generated at the Premises expressly set forth in this Lease. Without limiting the generality of the foregoing, the parties confirm that neither Tenant nor its affiliates are subject to a so-called "opening covenant," "continuous operation clause," "operating covenant," "radius restriction," or similar limitation in favor of Landlord or its affiliates or other tenants in the Shopping Center.

24. QUIET ENJOYMENT. Without limiting any rights Tenant may have by statute or common law, Landlord covenants and agrees that, so long as this Lease is in full force and effect, Tenant shall lawfully and quietly hold, occupy, and enjoy the Premises during the Term of this Lease without disturbance by Landlord or by any person having title paramount to Landlord's title or by any person claiming through or under Landlord.

25. NOTICES. Whenever a provision is made under this Lease for any demand, notice, or declaration of any kind (even if the provision does not expressly require notice in writing), or where it is deemed desirable or necessary by either party to give or serve any such notice, demand, or declaration to the other party, it shall be in writing and served either personally or sent by United States mail, certified, postage prepaid, or by pre-paid nationally recognized overnight courier service, addressed at the addresses set forth below or at such address as either party may advise the other from time to time. In the event a party refuses to accept delivery of a properly issued notice, the date of rejection shall be deemed the date notice has been received. Any such notice, demand, or declaration which does not comply with the foregoing requirements above shall be ineffective for purposes of this Lease.

To Landlord at:

Sunset Collection, LLC
c/o The Real Estate Group
1762 Westwood Boulevard, Suite 400
Los Angeles, CA 90024
Phone: (310) 500-2840, Ext. 207

With copies to:

Sunset Collection LLC
850 Loma Vista Drive
Beverly Hills, CA 90210

To Tenant at:

Starbucks Corporation
Attn: Property Management Department
RE: Starbucks Coffee Company Store #61621
Mailstop S-RE3

by mail at:

P.O. Box 34067
Seattle, WA 98124-1067

or by overnight delivery to:

2401 Utah Avenue South, Suite 800
Seattle, WA 98134
Phone: (206) 447-1575

Notices, demands, or declarations given under this Lease will be deemed to have been given when received or when receipt is refused.

Landlord shall send a duplicate copy of any notice given under Article 14 to the attention of the Law and Corporate Affairs Department at the same address, Mailstop S-LA1.

26. EXHIBITS. The following exhibits are attached to this Lease and by this reference are incorporated herein:

- | | | |
|---------------------------|---|---|
| <u>Exhibit A</u> | – | Legal Description of the Property |
| <u>Exhibit B</u> | – | Site Plan Identifying the Shopping Center/Property, Tenant's Premises,
Parking, Trash Enclosure and Outdoor Seating Area |
| <u>Exhibit B-1</u> | – | Diagram of Premises and Outdoor Seating Area |
| <u>Exhibit B-2</u> | – | Signage |
| <u>Exhibit C</u> | – | [Reserved] |
| <u>Exhibit D</u> | – | [Reserved] |
| <u>Exhibit E</u> | – | [Reserved] |
| <u>Exhibit F</u> | – | Date Certificate |
| <u>Exhibit G</u> | – | Existing Exclusives |
| <u>Exhibit H</u> | – | [Reserved] |
| <u>Exhibit I</u> | – | Memorandum of Lease |
| <u>Exhibit J</u> | – | SNDA Form |

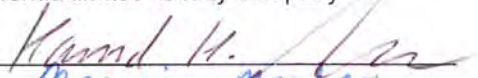
[Signatures on following page]

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

LANDLORD:

SUNSET COLLECTION, LLC,
a California limited liability company

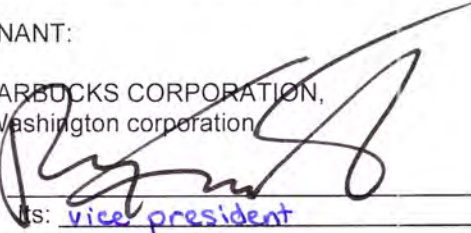
By:
Its:


Managing Member

TENANT:

STARBUCKS CORPORATION,
a Washington corporation

By:


Its: vice president

Landlord's Federal Tax Identification
Number: 95-3490034

California jurat:

ACKNOWLEDGEMENT OF LANDLORD

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

On June 5th, 2020, before me, Mitchell Landau, Notary Public, personally appeared Hamid Ravan, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

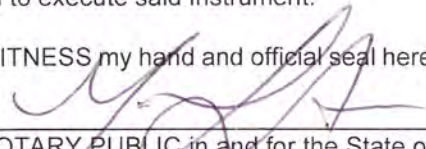
Signature: [Signature] (Seal)



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 4 day of June, 2020, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Ray Silverstein, to me known to be the vice president of STARBUCKS CORPORATION, a Washington corporation, the corporation that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and on oath stated that he/she is authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



NOTARY PUBLIC in and for the State of Washington
residing at King County
Commission expires: Mar 5, 2024
Printed Name: Marisa Archuleta



EXHIBIT A

LEGAL DESCRIPTION

Tax Parcel Number: 5559-019-028

That certain tract of land situated in the County of Los Angeles, State of California, and more particularly described as follows:

PARCEL 1

Those portions of Lots 3 and 4 of Tract No 10805, partly within and partly without the City of Los Angeles, in the County of Los Angeles, State of California, as per map recorded in Book 188, Page 10 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point in the Southeasterly line of said Lot 4, distant Northeasterly thereon 50 feet from the most Southeasterly corner of said Lot 4, thence Northeasterly along said Southeasterly line of said Lot 4, 50 feet to the Southeasterly terminus at a straight line extending from a point in the Southeasterly line of said Lot 4, distant Northeasterly thereon 100 feet from the most Southerly corner of said Lot 4, to a point in the Northwesterly line of said Lot 3, distant Southwesterly thereon 24.87 feet from the most Northerly corner of said Lot 3, thence Northwesterly along said straight line 100 feet to the Southeasterly line of the land described in deed to Maxmilian Appel, recorded in Book 15617, Page 266, Official Records, thence Southwesterly along said Southeasterly line 50.58 feet, more or less, to a point in a straight line extending from a point in the Southeasterly line of said Lot 4 distant Northeasterly thereon 50 feet from the most Southerly corner of said Lot 4, to a point in the Northwesterly line of said Lot 3 distant Southwesterly thereon 75.06 feet from the most Northerly corner of said Lot 3, thence Southeasterly along said last mentioned straight line to the point of beginning

PARCEL 2

Those portions of Lots 3 and 4 of Tract No 10805, partly within and partly without the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 188, Page 10 of Maps, and a portion of Lot 5 of Tract No 8037, as per map recorded in Book 116, Pages 34 and 35 of Maps, in the Office of the County Recorder of said County described as follows:

Beginning at a point in the Southeast line of said Lot 4 distant North 51 degrees 23' East 100 feet from the most Southerly corner of said Lot 4, thence along the Southwest line of land described in deed recorded in Book 13764, Page 324, Official Records of said County, North 38 degrees 28' 40" West 100 feet, thence North 51 degrees 23' East 49.97 feet to the East line of the land described in said deed, thence along said East line South 59 degrees 39' 30" East 100 feet to the Northeast prolongation of the Southeast line of said Lot 4 thence South 51 degrees 23' West 50 feet to the point of beginning

PARCEL 3

That part of Lot 5 of Tract No 8037, in the County of Los Angeles, State of California, as per map recorded in Book 116, Page 34 of Maps, lying South of the East prolongation of the South line of Lot 4 of Tract No 10805, as per map recorded in Book 188, Page 10 of Maps, and West of the Southerly prolongation of the East line of land described in deed recorded in Book 13764, Page 324, Official Records of said County

PARCEL 4

Those portions of Lots 3 and 4 of Tract No. 10805, in the County of Los Angeles, State of California, partly within and partly without the City of Los Angeles, Book 188 Page 10 of Maps, and that portion of Lot 5 of Tract No 8037, Book 116 Pages 34 and 35 of said Maps record described as a whole as follows:

Beginning at a point in the Southeasterly line of Lot 5 of Tract No 8037, which 1s South 51 degrees 23' West 363.40 feet measured along said Southeasterly line from the most Easterly corner of said last mentioned lot, thence 51 degrees, 23' West 50 feet to the Southeasterly prolongation of the Northeasterly line of the land described in deed to Sam Jaffe, by deed recorded in Book 13764, Page 324 of Official Records thence along said prolongation and the Northeasterly line of said land, North 38 degrees 37' West 136.08 feet to the Easterly line of Lot 3 of said Tract No 10805, thence along said last mentioned Easterly line South 49 degrees 37' 30" East 27.58 feet, more or less, to the Northwest corner of Lot 5 of said Tract No 8037, thence along the Northerly line of said last mentioned Lot, north 37 degrees 47'57" East 41.26 to a line which bears North 38 degrees 27' West and which passes through the point of beginning, thence South 38 degrees 37' East 120.03 feet to the point of beginning

PARCEL 5

That portion of Lot 5 of Tract No 8037, County of Los Angeles, State of California, partly within the partly without the City of Los Angeles, Book 116, Pages 34 and 35 of Maps, described as follows:

Beginning at a point in the Southeasterly line of said Lot 5 which is South 51 degrees 23' West 314.10 feet, measured along said Southeasterly line from the most Easterly corner of said Lot, thence South 51 degrees 23' West 49 30 feet, thence North 38 degrees 37" West 120.03 feet to the Northerly line of said Lot, thence along said Northerly line North 37 degrees 47' 57" East 50.72 feet to a line which bears North 38 degrees 37' West and which passes through the point of beginning, thence South 38 degrees 37' East 131.94 feet to the point of beginning

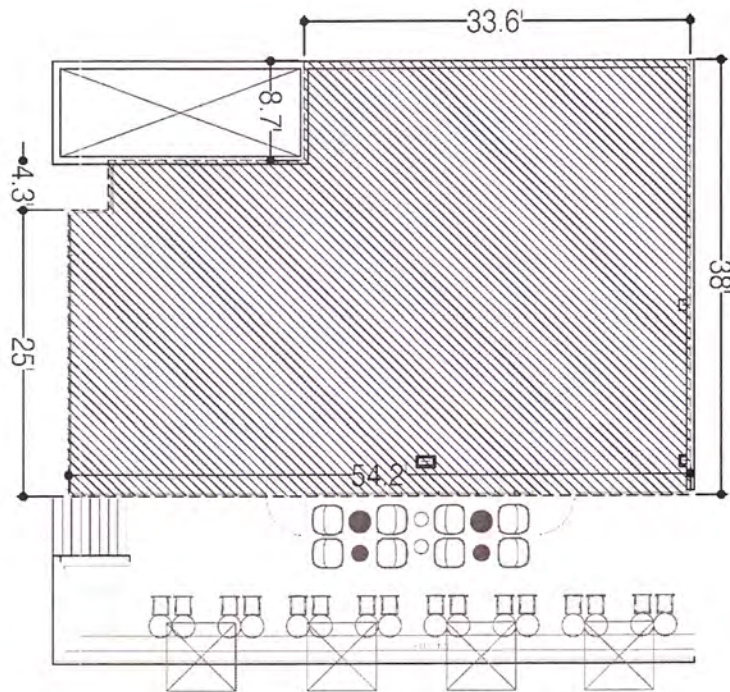
EXHIBIT B

SITE PLAN IDENTIFYING THE SHOPPING CENTER/PROPERTY, TENANT'S PREMISES, PARKING, TRASH ENCLOSURE AND OUTDOOR SEATING AREA



EXHIBIT B-1

DIAGRAM OF PREMISES AND OUTDOOR SEATING AREA



STARBUCKS
SUNSET & ALTA LOMA
WEST HOLLYWOOD, CA
EXHIBIT
PREMISES
03/17/2016

EXHIBIT B-2

LANDLORD APPROVED TENANT SIGNAGE



STARBUCKS COFFEE

SUNSET BLVD & ALTA LOMA RD, LOS ANGELES, CA 90069



1 VICINITY MAP
SCALE: MTS



Project:
Starbucks Coffee

Address:
Sunset Blvd & Alta Loma Rd
Los Angeles, CA 90069

Project Manager:

Scale: 1/4" = 1'-0"

As Noted

Design No.: 10-11-017-03

Page 100

Revision History:

10-11-017-03 New Design

10-11-017-03 New Design

10-11-017-03 New Design

10-11-017-03 New Design

10-11-017-03 New Design

10-11-017-03 New Design

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10-11-017-03 New Design

10-11-017-03 New Design



1 EXISTING
SCALE: NTS



1 PROPOSED
SCALE: NTS

superior
electrical advertising
1733 West Anaheim Street
Long Beach, California
90812-1114
Phone: 562.471.3309
Fax: 562.471.1897
www.superiorign.com

Project
Starbucks Coffee

Address
Sunset Blvd & Alta Loma Rd
Los Angeles, CA 90069

Account Manager
Account Executive

Scale
AS NO IED
TA
250

Contract No.
19-11-0177-03

Reg No.
19-11-0177-03

Product History
R3 11/2019 BK New Contract
R1 11/2019 BK order per comments
R2 11/2019 BK order per comments
R3 11/2019 BK order per comments

ELECTRIC SIGN
This sign is a proposed to be installed on the exterior of the building at the intersection of Sunset Blvd and Alta Loma Rd. The sign is a proposed to be installed on the exterior of the building at the intersection of Sunset Blvd and Alta Loma Rd. The sign is a proposed to be installed on the exterior of the building at the intersection of Sunset Blvd and Alta Loma Rd.

CONSTRUCTION PERMITS
This sign is a proposed to be installed on the exterior of the building at the intersection of Sunset Blvd and Alta Loma Rd. The sign is a proposed to be installed on the exterior of the building at the intersection of Sunset Blvd and Alta Loma Rd. The sign is a proposed to be installed on the exterior of the building at the intersection of Sunset Blvd and Alta Loma Rd.

PERMITS
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Notes:
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1 EXISTING
SCALE: NTS

NOTE:
- EXISTING TOP CABINETS TO BE
REFACED W/ CHANNEL LOGOS.
- PAINT RETURNS STARBUCKS GREEN.
- REFACE MIDDLE CABINETS, AND
ADD "PARK" CHANNEL LETTERS.
- REPAINT ARROW FACES STARBUCKS
GREEN.



3 EXISTING BLADE SIGN
SCALE: NTS

2 PROPOSED BLADE SIGN
SCALE: NTS



1 PROPOSED
SCALE: NTS

NOTE:
STARBUCKS LETTERS TO BE CENTERED
ON STOREFRONT.

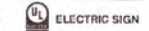


Project:
Starbucks Coffee

Address:
Sunset Blvd & Alta Loma Rd
Los Angeles, CA 90069

Account Manager:

Scale: 1/4"
AS NOTED
Design No: 19-116177-03
Reg. No:
Revision History:
R0 11/2019 BK New Drawing
R1 2/15/20 BK revise set comments
R2 3/26/20 BK add to the plan
R3 3/24/20 BK revise set comments



This sign is intended to be a permanent sign as defined by the California Electrical Code and shall be installed in accordance with the applicable code. The sign shall be installed in accordance with the applicable code.

CONSTRUCTION APPROVALS

Design: [Signature]
MyQC: [Signature]

Page: 4 of 6

This is a professional drawing created by Superior Electrical Advertising, Inc. It is intended for your approval and shall be subject to any other applicable code. The sign shall be installed in accordance with the applicable code. The sign shall be installed in accordance with the applicable code.

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Note: This drawing is not to be used for any other purpose without the written consent of Superior Electrical Advertising, Inc.

11'-3"

1-1/2" (T)

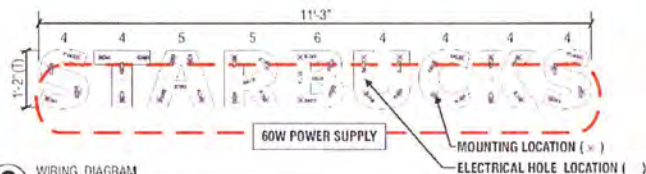
STARBUCKS

- A1** SIGN ELEVATION / REVERSE HALO ILLUMINATED CHANNEL LETTERS 13.08 SQ. FT.
A2 QUANTITY: TWO (2) REQUIRED SCALE: 1/2" = 1'-0"

SPECIFICATIONS:

LETTERS: REVERSE HALO ILLUMINATED CHANNEL LETTERS
 FACE: .125" ALUMINUM PAINTED BLACK
 BACKS: CLEAR LEXAN FOR HALO SPILL
 SPACERS: 1-1/2" PAINTED TO MATCH WALL SURFACE
 RETURNS: 3" DEEP BLACK RETURNS
 ILLUMINATION: PRISM ENLIGHTEN WHITE 6500K LEDS WITH A 60WATT POWER SUPPLY

NOTES: FIELD VERIFY ALL MEASUREMENTS AND CONDITIONS
 PRIOR TO ANY FABRICATION



2 WIRING DIAGRAM
 SCALE: 1/2" = 1'-0"

120 V SIGN VOLTAGE

ELECTRICAL SPECIFICATIONS:

FORTY (40) MODULES - 27'-0" PRISM MINI WHITE 6500K MODULES
 Laid out AT 1.5 MODULES PER FOOT, 8" ON CENTER (UL #215393)
 ONE (1) SLOAN 60 WATT POWER SUPPLY (UL #E336107)
 ONE (1) 100'-0" ROLL OF JACKETED CABLE

60WATT POWER SUPPLY POWER SUPPLY 12VDC
 WATTS PER MODULE: 0.75
 LED MODULE POWER USAGE: 30 WATTS

TOTAL CIRCUIT LOAD: 0.8 AMP'S @ 120 VOLTS
 (1) CUSTOMER PROVIDED 20 AMP 120V DEDICATED CIRCUIT

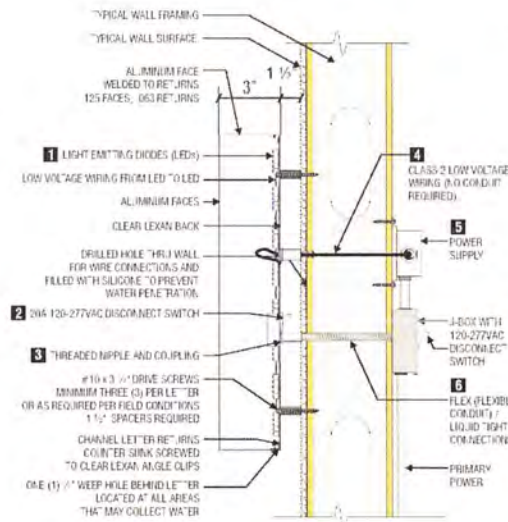
**PLEASE REFER TO THE NUMBERED ITEMS BELOW
 FOR INCORPORATED INSTALL INSTRUCTIONS.
 LISTED INSTRUCTIONS TO BE FOUND WITH ACTUAL SIGNAGE
 (NUMBERED ITEMS CORRESPOND TO SECTION DETAIL)**

ITEM #	DESCRIPTION
1	LIGHT EMITTING DIODES (LEDs)
2	DISCONNECT SWITCH
3	THREADED NIPPLE AND COUPLING (FLEX CONNECTOR)
4	CLASS 2 LOW VOLTAGE WIRING (NO CONDUIT REQUIRED)
5	POWER SUPPLY
6	FLEX (FLEXIBLE CONDUIT) / LIQUID TIGHT CONNECTIONS

Note to All Contractors

120 Sign Voltage

This sign is constructed to be installed in accordance with the requirements of Article 680 of the National Electrical Code and all other applicable local codes. This includes proper grounding and bonding of this sign. All wall penetrations to the module shall be sealed with UL listed silicone sealant.



1 TYPICAL SECTION DETAIL
 SCALE: NTS



Project:
 Starbucks Coffee

Address:
 Sunset Blvd & Alta Loma Rd
 Los Angeles, CA 90069

Account Manager:

Scale: TA:
 AS NOTED 50

Design No:
 19-11-6177-03

Rev. No:

Revision History:
 R0 11/20/19 BK New Drawing
 R1 2/13/20 BK revision per comments
 R2 3/20/20 BK add sign plan
 R3 3/24/20 BK revision per comments

ELECTRIC SIGN

This sign is intended to be installed in accordance with the requirements of Article 680 of the National Electrical Code and all other applicable local codes. This includes proper grounding and bonding of this sign.

CONSTRUCTION PERSONNEL

Design: Date:
 By: Date:

Page: 5 of 6

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B SIGN ELEVATION / REFACE EXISTING D/F MONUMENT SIGN
 QUANTITY: TWO (2) FACES REQUIRED

SCALE: 1 1/8" = 1'-0"

SPECIFICATIONS:

CABINET: EXISTING, TO REMAIN AS IS
PANEL FACES: ROUTED OUT ALUMINUM PAINTED TBD
COPY: BACKED UP WHITE ACRYLIC WITH
 3M # 3635-222 PERFORATED DAY / NIGHT DUAL BLACK VINYL
 TO SHOW BLACK DURING DAY & WHITE DURING EVENING
ILLUMINATION: EXISTING, TO REMAIN AS IS

NOTE: FIELD VERIFY ALL MEASUREMENTS AND CONDITIONS
 PRIOR TO ANY FABRICATION



1 EXISTING MONUMENT SIGN
 SCALE: NTS



2 PROPOSED REFACE
 SCALE: NTS



Project:
 Starbucks Coffee

Address:
 Sunset Blvd & Alta Loma Rd
 Los Angeles, CA 90069

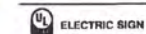
Account Manager:

Scale: TA
 AS NOTED .50

Design No:
 19-11-6177-03

Reg. No:

Revision History:
 R0 11/20/19 BK New Drawing
 R1 2/12/20 BK review per comments
 R2 3/20/20 BK add site plan
 R3 3/24/20 BK review per comments



This sign is intended to be installed in accordance with the requirements of Article 610 of the National Electrical Code, 2017 Edition, unless otherwise specified. This includes proper grounding and bonding of the sign.

Design: _____ Date: _____
 City/State: _____ Date: _____

Page: 6 of 6

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© SEA 2019
 Note: This is a proposed design and is not a final representation. Actual results may vary. See color specifications.

EXHIBIT C

[RESERVED]

EXHIBIT D

[RESERVED]

EXHIBIT E

[RESERVED]

EXHIBIT F

DATE CERTIFICATE

Date
Attn: Name
Company Name
Address
City, State, Zip

Re: Starbucks Coffee at Sunset Boulevard & Alta Loma Road
West Hollywood, California
Starbucks Store # _____

Dear Name:

Please confirm the following list of dates pursuant to the Lease by and between Sunset Collection, LLC and Starbucks Corporation for the above referenced location:

Possession Date:	____/____/____	
Permit Date:	____/____/____	[if referenced in the Lease]
Commencement Date:	____/____/____	
Starbucks Store Opening Date:	____/____/____	
Rent Commencement Date:	____/____/____	
Expiration Date:	____/____/____	

Pursuant to Section ____ of the Lease, the Base Rent schedule shall be as set forth below:

____/____/____	-	____/____/____	\$ _____	Pro-rated: \$ _____ ÷ ____ days x ____ day(s)
____/____/____	-	____/____/____	\$ _____	Per month
____/____/____	-	____/____/____	\$ _____	Per month

[If applicable:]

Option1	____/____/____	-	____/____/____	\$ _____	Per month
Option2	____/____/____	-	____/____/____	\$ _____	Per month

Please have both copies of this letter signed and dated by Landlord and return one (1) of the originals in the envelope provided. If you have any questions regarding the above information please contact Name at (phone number).

Agreed to this ____ day of _____, 20__, by and between:

Landlord: Sunset Collection, LLC

Starbucks Corporation:

Signature

Printed name and title

By: _____
Name
title

EXHIBIT G

EXISTING EXCLUSIVES

Other than the three (3) **Existing Exclusive Operators** (defined in Section 5.1 of the Lease): NONE

EXHIBIT H

[RESERVED]

EXHIBIT I

WHEN RECORDED RETURN BY MAIL TO:

First American Title Company
National Commercial Services
1790 Hughes Landing Blvd., Suite 110
The Woodlands, Texas 77380
ATTN: Sharon P. Mork
Vice President/Manager
Sr. Commercial Escrow Officer

MEMORANDUM OF LEASE

This Memorandum of Lease ("**Memorandum**") is entered into by and between Sunset Collection, LLC, a California limited liability company, having its principal place of business at 8370 Wilshire Blvd, Suite 210, Beverly Hills, California 90211 ("**Landlord**"), and Starbucks Corporation, a Washington corporation, having an office at 2401 Utah Avenue South, Seattle, Washington 98134 ("**Tenant**"), Landlord and Tenant having entered into a commercial lease having an Effective Date of _____, 2020 ("**Lease**").

1. The Lease covers certain commercial property located at the intersection of Sunset Boulevard and Alta Loma Road, in the City of West Hollywood, California in a shopping center commonly known as _____ (the "**Building/Shopping Center**"), consisting of approximately 1,900 square feet of Gross Leasable Area ("**Premises**"), all as more particularly described in the Lease. The legal description of the Shopping Center and the Property on which the Premises is located is attached hereto as Exhibit A and incorporated herein by this reference.

2. The Lease provides for the rental of the Premises by Tenant for a term of ten (10) years ("**Initial Term**"). This Memorandum of Lease is effective beginning _____, 2020 and is solely for the purpose of giving constructive notice of Tenant's Lease.

3. The Lease grants to Tenant the right to renew the Initial Term for up to two (2) consecutive five (5)-year period(s) (each, an "**Extension Term**") under the same terms and conditions contained in the Lease, provided Tenant exercises the applicable Extension Term in accordance with the applicable terms of the Lease. Base Rent during any Extension Term(s) shall be as specified in the Lease.

4. Tenant may use the Premises as a coffee shop including, at Tenant's discretion, the retail sale of (a) whole and ground coffee beans, (b) coffee by the cup, (c) espresso/coffee/tea-based drinks, (d) teas and spices, (e) blended beverages, (f) espresso/coffee/tea related equipment, supplies and accessories, (g) seasonal, promotional and Tenant branded merchandise, (h) assorted food items including but not limited to baked goods, desserts, frozen desserts, salads, sandwiches, juices, candies and novelties, (i) books, magazines and newspapers, (j) music merchandise and digital media content, (k) beer and wine, and (l) non-food items or other items that Tenant or its successors make available for sale in the ordinary course of business not presently identified as an Existing Exclusive Item (defined below) offered by the applicable Existing Exclusive Operator (defined below), and/or prohibited by the written exclusive use rights of other tenants in the Building/Shopping Center.

There are three (3) existing tenants in the Building/Shopping Center (each, an "**Existing Exclusive Operator**") each with a different primary use (not written exclusives) for (1) pizza, (2) sushi and (3) poke (each, an "**Existing Exclusive Item**"), and so long as an Existing Exclusive Operator is operating, and offering for sale its respective Existing Exclusive Item, Tenant and its successors or assigns shall not be permitted to sell such Existing Exclusive Item to the extent such item continues to be sold by the applicable Existing Exclusive Operator. To the extent that during the Term of this Lease, an Existing Exclusive Operator ceases to offer for sale its respective Existing Exclusive Item, the applicable Existing Exclusive Item will no longer be considered an exclusive to any tenant in the Building/Shopping Center, and in addition, Tenant shall thereafter have the non-exclusive right to sell such Existing Exclusive Item from the Premises.

5. The Lease grants to Tenant the exclusive right to sell in the Building/Shopping Center (a) whole or ground coffee beans; (b) espresso-based drinks or coffee-based drinks; (c) tea or tea-based drinks; (d) brewed coffee, and/or (e) blended beverages that contain coffee and/or espresso ("**Tenant's Exclusive**").

Notwithstanding the foregoing:

- I. Any existing tenant whose lease allows it to sell any of the foregoing products will not be subject to Tenant's Exclusive.
- II. All tenants may sell brewed coffee that is not gourmet or brand-identified. "**Gourmet**" shall be defined as a) arabica bean-based, or b) sourced from a gourmet coffee brand like Coffee Bean & Tea Leaf, Intelligentsia, Peets, Caribou, Seattle's Best, Dunkin Donuts, Philz, Verve, Stumptown, Blue Bottle or similar. "**Brand-identified**" shall mean advertised or marketed within the premises by its brand name.
- III. Full service, sit-down restaurants with a wait staff and table service serving at least a complete dinner menu may sell, brewed coffee or tea, and hot espresso drinks for on-premises consumption only, or in conjunction with the sale of a take-out meal.
- IV. Further, all tenants may sell pre-bottled/canned coffee/tea drinks, or iced tea from a fountain dispensing system without restriction.

6. This Memorandum shall not, under any circumstances, be deemed to modify or change any provisions of the Lease, the provisions of which shall in all instances prevail.

7. This Memorandum may be signed in two (2) or more counterpart copies with the same effect as if the signature to each counterpart copy were on a single instrument. Each counterpart shall be deemed an original as to any party whose signature it bears and all such counterparts shall constitute one document. Facsimile or electronically scanned copies shall be deemed originals.

[SIGNATURES ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease this ____ day of _____, 2020.

LANDLORD:

Sunset Collection, LLC, a California limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT OF LANDLORD

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of _____)

On _____, 2020, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

TENANT:

STARBUCKS CORPORATION,
a Washington corporation

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT OF STARBUCKS CORPORATION

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On the _____ day of _____, in the year 2020, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as _____ of **Starbucks Corporation**, and that by his/her signature executed this Memorandum of Lease on behalf of Starbucks Corporation.

Notary Public for the State of _____
Commission expires: _____

EXHIBIT A TO MEMORANDUM OF LEASE

Legal Description of the Property

That certain tract of land situated in the County of Los Angeles, State of California, and more particularly described as follows:

PARCEL 1

Those portions of Lots 3 and 4 of Tract No 10805, partly within and partly without the City of Los Angeles, in the County of Los Angeles, State of California, as per map recorded in Book 188, Page 10 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point in the Southeasterly line of said Lot 4, distant Northeasterly thereon 50 feet from the most Southeasterly corner of said Lot 4, thence Northeasterly along said Southeasterly line of said Lot 4, 50 feet to the Southeasterly terminus at a straight line extending from a point in the Southeasterly line of said Lot 4, distant Northeasterly thereon 100 feet from the most Southerly corner of said Lot 4, to a point in the Northwesterly line of said Lot 3, distant Southwesterly thereon 24.87 feet from the most Northerly corner of said Lot 3, thence Northwesterly along said straight line 100 feet to the Southeasterly line of the land described in deed to Maxmhan Appel, recorded in Book 15617, Page 266, Official Records, thence Southwesterly along said Southeasterly line 50.58 feet, more or less, to a point in a straight line extending from a point in the Southeasterly line of said Lot 4 distant Northeasterly thereon 50 feet from the most Southerly corner of said Lot 4, to a point in the Northwesterly line of said Lot 3 distant Southwesterly thereon 75.06 feet from the most Northerly corner of said Lot 3, thence Southeasterly along said last mentioned straight line to the point of beginning

PARCEL 2

Those portions of Lots 3 and 4 of Tract No 10805, partly within and partly without the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 188, Page 10 of Maps, and a portion of Lot 5 of Tract No 8037, as per map recorded in Book 116, Pages 34 and 35 of Maps, in the Office of the County Recorder of said County described as follows:

Beginning at a point in the Southeast line of said Lot 4 distant North 51 degrees 23' East 100 feet from the most Southerly corner of said Lot 4, thence along the Southwest line of land described in deed recorded in Book 13764, Page 324, Official Records of said County, North 38 degrees 28' 40" West 100 feet, thence North 51 degrees 23' East 49.97 feet to the East line of the land described in said deed, thence along said East line South 59 degrees 39' 30" East 100 feet to the Northeast prolongation of the Southeast line of said Lot 4 thence South 51 degrees 23' West 50 feet to the point of beginning

PARCEL 3

That part of Lot 5 of Tract No 8037, in the County of Los Angeles, State of California, as per map recorded in Book 116, Page 34 of Maps, lying South of the East prolongation of the South line of Lot 4 of Tract No 10805, as per map recorded in Book 188, Page 10 of Maps, and West of the Southerly prolongation of the East line of land described in deed recorded in Book 13764, Page 324, Official Records of said County

PARCEL 4

Those portions of Lots 3 and 4 of Tract No. 10805, in the County of Los Angeles, State of California, partly within and partly without the City of Los Angeles, Book 188 Page 10 of Maps, and that portion of Lot 5 of Tract No 8037, Book 116 Pages 34 and 35 of said Maps record described as a whole as follows:

Beginning at a point in the Southeasterly line of Lot 5 of Tract No 8037, which is South 51 degrees 23' West 363.40 feet measured along said Southeasterly line from the most Easterly corner of said last mentioned lot, thence 51 degrees, 23' West 50 feet to the Southeasterly prolongation of the Northeasterly line of the land described in deed to Sam Jaffe, by deed recorded in Book 13764, Page 324 of Official Records thence along said prolongation and the Northeasterly line of said land, North 38 degrees 37' West 136.08 feet to the Easterly line of Lot 3 of said Tract No 10805, thence along said last mentioned Easterly line South 49 degrees 37' 30" East 27.58 feet, more or less, to the Northwest corner of Lot 5 of said Tract No 8037, thence along the Northerly line of said last mentioned Lot, north 37 degrees 47' 57" East 41.26 to a line which bears North 38 degrees 27' West and which passes through the point of beginning, thence South 38 degrees 37' East 120.03 feet to the point of beginning

PARCEL 5

That portion of Lot 5 of Tract No 8037, County of Los Angeles, State of California, partly within the partly without the City of Los Angeles, Book 116, Pages 34 and 35 of Maps, described as follows:

Beginning at a point in the Southeasterly line of said Lot 5 which is South 51 degrees 23' West 314.10 feet, measured along said Southeasterly line from the most Easterly corner of said Lot, thence South 51 degrees 23' West 49 30 feet, thence North 38 degrees 37" West 120.03 feet to the Northerly line of said Lot, thence along said Northerly line North 37 degrees 47' 57" East 50.72 feet to a line which bears North 38 degrees 37' West and which passes through the point of beginning, thence South 38 degrees 37' East 131.94 feet to the point of beginning

EXHIBIT J

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL TO:

Attn: _____

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("**Agreement**") is made and entered into as of this _____ day of _____, 2020, by and among _____, a _____ ("**Mortgagee**"), Starbucks Corporation, a Washington corporation ("**Tenant**") and Sunset Collection, LLC, a California limited liability ("**Landlord**").

RECITALS

A. Mortgagee is the holder of a certain note (the "Note") and mortgagee under a mortgage dated _____ ("**Mortgage**"), in which Landlord is named as the mortgagor, which Mortgage was recorded on _____, in the Official Records of _____ County, State of _____, as Document No. _____. The Mortgage covers certain real property together with all appurtenances thereto and improvements thereon ("**Property**") all as more particularly described in **Exhibit A** attached hereto and made a part hereof and which property is commonly known as _____, in the City of West Hollywood, County of Los Angeles, State of California.

B. Landlord is the owner in fee simple of the Property and is the current obligor under the Note.

C. By Lease dated _____, [**"Lease"**] [**If there are documents affecting or modifying the lease and listed below, then delete the definition here**]] Landlord leased to Tenant those certain premises ("**Premises**") which constitutes or forms a portion of the Property covered by the Mortgage and commonly known as _____, all as more particularly described in the Lease. [**Other documents affecting or amending the lease include the following: [List all documents with date references: any type of legal document that would modify or exercise rights in the Lease (i.e. amendments, letter agreements, square footage certificates, rent/term commencement agreements), assignments, subleases, letters regarding change in landlord, letters regarding change in landlord notice address and fully executed SNDAs]** The lease, as amended by the foregoing documents, shall be referred to herein as the "**Lease**".]

D. The Lease is or may become (subject to this Agreement) subordinate in priority to the lien of the Mortgage.

E. Tenant wishes to obtain from Mortgagee certain assurances that Tenant's possession of the Premises will not (subject to this Agreement) be disturbed by reason of the enforcement of the Mortgage covering the Premises or a foreclosure of the lien thereunder.

F. Mortgagee is willing to provide such assurances to Tenant upon and subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above, the reciprocal promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do mutually agree as follows:

1. **Ratification.** The Lease now is or shall become upon the mutual execution of this Agreement subject and subordinate in all respects to the lien of the Mortgage and all renewals, modifications and extensions thereof, subject to the terms and conditions of this Agreement. Mortgagee acknowledges receipt of a copy of the Lease and hereby approves the same. Tenant hereby affirms that the Lease is in full force and effect and that the Lease has not been modified or amended.

2. **Landlord's Default.** From and after the date Tenant receives a fully executed copy of this Agreement, Tenant will not seek to terminate the Lease by reason of any act or omission that constitutes (or would over time constitute) a default of Landlord until Tenant shall have given written notice of such act or omission to Mortgagee (at Mortgagee's last address furnished to Tenant) and until a period of thirty (30) days shall have elapsed, Mortgagee shall have the right, but not the obligation, to remedy such act or omission, provided however that if the act or omission does not involve the payment of money from Landlord to Tenant and (i) is of such a nature that it could not be reasonably remedied within the thirty (30) day period aforesaid, or (ii) the nature of the act or omission or the requirements of local law require Mortgagee to appoint a receiver or to foreclose on or commence legal proceedings to recover possession of the Property in order to effect such remedy and such legal proceedings and consequent remedy cannot reasonably be achieved within said thirty (30) days, then Mortgagee shall have such further time as is reasonable under the circumstances to effect such remedy (not to exceed forty five (45) days after the expiration of the thirty (30) day period aforesaid) provided that Mortgagee shall notify Tenant, within ten (10) days after receipt of Tenant's notice, of Mortgagee's intention to effect such remedy and provided further that Mortgagee institutes immediate legal proceedings to appoint a receiver for the Property or to foreclose on or recover possession of the Property within said thirty (30) day period and thereafter prosecutes said proceedings and remedy with due diligence and continuity to completion. Notwithstanding the foregoing, Mortgagee shall have no rights under this Section 2 if Mortgagee is an entity that controls, is controlled by, or is under common control with Landlord.

3. **Non-Disturbance and Attornment.** So long as Tenant is not in default under the Lease (beyond any period given Tenant to cure such default) as would entitle Landlord to terminate the Lease or would cause, without any further action of Landlord, the termination of the Lease or would entitle Landlord to dispossess Tenant thereunder, Mortgagee will not disturb the peaceful and quiet possession or right of possession of the Premises by Tenant nor shall the Lease or its appurtenances be extinguished by reason of any Foreclosure (as hereinafter defined) or otherwise, nor join Tenant as a party in any action or proceeding brought pursuant to the Mortgage.

In the event that Mortgagee or its successors or assigns, as defined in Paragraph 7 hereof ("Successor Landlord") acquires the interest of Landlord or comes into the possession of or acquires title to the Premises (the "Succession") by reason of the foreclosure (judicial or non-judicial) or enforcement of the Mortgage (including a private power of sale) or the Note or obligations secured thereby or by a conveyance in lieu thereof or other conveyance or as a result of any other means (any or all of the foregoing hereinafter referred to as a "Foreclosure"), then the Lease and all appurtenances thereto shall remain in full force and effect and Tenant shall be bound to Successor Landlord under all of the provisions of the Lease for the balance of the term thereof (including any extensions or renewals thereof which may be effected in accordance with any options contained in the Lease) with the same force and effect as if Successor Landlord was Landlord under the Lease, and Tenant shall attorn to Successor Landlord as its landlord, such attornment to be effective and self operative, without the execution of any further instruments on the part of either of the parties hereto, immediately upon the Succession; and further, in such event, Successor Landlord shall be bound to Tenant under all of the provisions of the Lease, and Tenant shall, from and after such Succession, have the same remedies against Successor Landlord for the breach of any agreement contained in the Lease that Tenant might have had under the Lease against Landlord thereunder, provided, however, that if Successor Landlord is not an entity that controls, is controlled by, or is under common control with Landlord, then Successor Landlord shall not be:

(a) liable for any act or omission of any prior landlord (including Landlord) unless Tenant shall have given notice (pursuant to Paragraph 2 hereof) of such act or omission to the party who was the then holder of the Mortgage (whether or not such holder elected to cure or remedy such act or omission); or

(b) subject to any offsets (except those expressly permitted under the Lease) or defenses which Tenant might have against any prior landlord (including Landlord) unless Tenant shall have given notice (pursuant to

Paragraph 2 hereof) of the state of facts or circumstances under which such offset or defense arose to the party who was the then holder of the Mortgage (whether or not such holder elected to cure or remedy such condition); or

(c) bound by any rent or additional rent which Tenant might have paid to any prior landlord (including Landlord) more than thirty (30) days in advance of the due date under the Lease;

(d) bound by any security deposit which Tenant may have paid to any prior landlord (including Landlord), unless such deposit is available to the party who was the holder of the Mortgage at the time of a Foreclosure; or

(e) bound by any amendment or modification of the Lease made after the date of this Agreement without the consent of the party who was the holder of the Mortgage at the time of such amendment or modification, unless such amendment or modification was subsequently affirmed by an intervening holder of the Mortgage.

Tenant shall be under no obligation to pay rent to Mortgagee or Successor Landlord until Tenant receives written notice from Mortgagee or Successor Landlord stating that Mortgagee or Successor Landlord is entitled to receive the rents under the Lease directly from Tenant. Landlord, by its execution hereof, hereby authorizes Tenant to accept such direction from Mortgagee or Successor Landlord and to pay the rents directly to Mortgagee or Successor Landlord and waives all claims against Tenant for any sums so paid at Mortgagee's or Successor Landlord's direction. Tenant may conclusively rely upon any written notice Tenant receives from Mortgagee or Successor Landlord notwithstanding any claims by Landlord contesting the validity of any term or condition of such notice, including any default claimed by Mortgagee or Successor Landlord, and Tenant shall have no duty to inquire into the validity or appropriateness of any such notice.

4. Notices of Default/Tenant's Right to Cure. Mortgagee hereby agrees to give to Tenant a copy of each notice of a failure on the part of the mortgagor or obligor under the Mortgage or Note to perform or observe any of the covenants, conditions or agreements of such Mortgage or Note at the same time as whenever any such notice shall be given to the said mortgagor or obligor, such copy to be sent as provided in Paragraph 6 herein. Further, Mortgagee shall accept the cure by Tenant of any default, which cure shall be made within ten (10) days in the case of monetary defaults of Landlord and within thirty (30) days in the case of non-monetary defaults following Tenant's receipt of such notice provided however that (i) if the failure of performance does not involve the payment of money from Landlord to Tenant, and (ii) is of such a nature that it could not be reasonably remedied within the thirty (30) day period aforesaid, then Tenant shall have such further time as is reasonable under the circumstances to effect such remedy provided that Tenant shall notify Mortgagee, within ten (10) days after receipt of Mortgagee's notice, of Tenant's intention to effect such remedy and provided further that Tenant institutes steps to effect such remedy within said thirty (30) day period and thereafter prosecutes said remedy with due diligence and continuity to completion. Mortgagee agrees that it will accept such performance by Tenant of any covenant, condition or agreement to be performed by mortgagor or obligor under the Mortgage or Note with the same force and effect as though performed by such mortgagor or obligor. The provisions of this Paragraph 4 are intended to confer additional rights upon Tenant and shall not be construed as obligating Tenant to cure any default of any such mortgagor or obligor.

5. Agreement to Release Proceeds or Awards.

(a) **Casualty.** In the event of a casualty at the Premises, Mortgagee shall release its interest in any insurance proceeds applicable to the nonstructural improvements installed by Tenant. Mortgagee acknowledges that it has no interest and waives any interest in Tenant's personal property, furnishings, machinery, trade fixtures, equipment, signs and any safety systems (such as, without limitation, fire and security monitoring and alarm systems) installed at or about the Premises, or any insurance proceeds are payable with respect thereto under either Landlord's or Tenant's policies.

(b) **Eminent Domain.** In the event of a public taking or act of eminent domain, Mortgagee shall release its interest in that portion of the award to which Tenant is entitled pursuant to the Lease, as well as its interest in so much of the award applicable to the improvements installed by Tenant as shall be necessary for the purposes of restoration, consistent with Landlord's and Tenant's rights and obligations under the Lease.

6. Notices. Whenever a provision is made under this Agreement for any notice or declaration of any kind, or where it is deemed desirable or necessary by either party to give or serve any such notice or declaration to the other party, in order to be effective such notice or declaration shall be in writing and served either personally (provided that proof of delivery thereof can be produced) or sent by United States mail, certified, postage prepaid, or by pre-paid nationally recognized overnight courier

service (provided that proof of delivery thereof can be produced), addressed at the addresses set forth below or at such address as either party may advise the others from time to time.

To Mortgagee: _____

To Tenant: Starbucks Corporation
Attn: Property Management Department
RE: Starbucks Coffee Company Store # _____
Mailstop S-RE3

by mail: P.O. Box 34067
Seattle, WA 98124-1067

or by overnight delivery: 2401 Utah Avenue South, Suite 800
Seattle, WA 98134

To Landlord: Sunset Collection, LLC
8370 Wilshire Blvd, Suite 210
Beverly Hills, CA 90211

Mortgagee and Landlord shall send a duplicate copy of any notice given hereunder to the attention of the Law and Corporate Affairs Department at the same address, Mailstop S-LA1. No notice to Tenant shall be effective unless it is addressed to the attention of Property Management Department and as otherwise set forth above. No notice delivered to the Premises shall be effective. Any party may change the address by written notice to the other parties clearly stating such party's intent to change the address for all purposes of this Agreement, which new address shall be effective one (1) month after receipt. Notice shall be deemed given when received or when receipt is refused, provided that such notice was sent pursuant to the requirements of this Section 6.

7. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective personal representatives, heirs, successors and assigns it being understood that the obligations herein of Mortgagee shall extend to it in its capacity as mortgagee under the Mortgage and to its successors and assigns, including anyone who shall have succeeded to its interest or to Landlord's interest in the Premises or acquired possession thereof by Foreclosure or otherwise.

8. **Miscellaneous.**

8.1 **Authority.** Each party hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by and on its behalf and constitutes such party's valid and binding agreement in accordance with the terms hereof.

8.2 **Severability.** The invalidity of any provision of this Agreement, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

8.3 **Interpretation.** Article and Section headings are not a part hereof and shall not be used to interpret the meaning of this Agreement. This Agreement shall be interpreted in accordance with the fair meaning of its words and both parties certify they either have been or have had the opportunity to be represented by their own counsel and that they are familiar with the provisions of this Agreement, which provisions have been fully negotiated, and agree that the provisions hereof are not to be construed either for or against either party as the drafting party.

8.4 **Amendments.** This Agreement may be modified only in writing, signed by the parties in interest, at the time of the modification. Landlord and Mortgagee specifically acknowledge that Tenant's employees at the Premises do not have authority to modify this Agreement or to waive Tenant's rights hereunder.

8.5 Waivers. No waiver of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach of the same or any other provision. A party's consent to or approval of any act shall not be deemed to render unnecessary obtaining such party's consent to or approval of any subsequent act. No waiver shall be effective unless it is in writing, executed on behalf of the party by the person to whom notices are to be addressed.

8.6 Cumulative Remedies. Except where otherwise expressly provided in this Agreement, no remedy or election hereunder shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies at law or in equity.

8.7 Choice of Law. This Agreement shall be governed by the laws of the state where the Premises are located.

8.8 Attorneys' Fees. If either party brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, proceeding, trial or appeal, shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

8.9 Consents. Whenever the right of approval or consent is given to a party pursuant to this Agreement, that party shall not unreasonably withhold, condition or delay its consent unless this Agreement expressly provides otherwise.

8.10 Waiver of Jury Trial. With respect to any litigation arising out of or in connection with this Agreement, each party hereby expressly waives the right to a trial by jury.

8.11 No Other Mortgage. Landlord represents and warrants to Tenant that, as of the date hereof, no lender, other than Mortgagee, has a security interest in the Property.

9. Effectiveness of Agreement. If, within thirty (30) days of Tenant's execution of this Agreement, Tenant has not received a fully executed original of this Agreement at the notice address listed above, this Agreement shall be null and void.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

MORTGAGEE

a _____

By: _____

Its: _____

TENANT

Starbucks Corporation
a Washington corporation

By: _____

Its: _____

Date: _____

LANDLORD

SUNSET COLLECTION, LLC,
a California limited liability company

By: _____

Its: _____

STATE OF WASHINGTON)
County of King) ss
)

On this ____ day of _____, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared _____, to me known as, or providing satisfactory evidence that he/she is the _____ of Starbucks Corporation, a Washington corporation, the corporation that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and stated that he/she is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last written above.

Notary Public in and for the State of Washington

Residing at _____

My commission expires: _____

Print Name: _____

STATE OF _____)
) ss
COUNTY OF _____)

On this ____ day of _____, _____, before me, the undersigned, a Notary Public in and for the State of _____, personally appeared _____, to me known as, or providing satisfactory evidence that he/she is the _____ of _____, the _____ that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said _____ for the uses and purposes therein mentioned and stated that he/she is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last written above.

Notary Public in and for the State of _____
Residing at _____
My commission expires: _____
Print Name: _____

STATE OF _____)
) ss
COUNTY OF _____)

On this ____ day of _____, _____, before me, the undersigned, a Notary Public in and for the State of _____, personally appeared _____, to me known as, or providing satisfactory evidence that he/she is the _____ of _____, the _____ that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said _____ for the uses and purposes therein mentioned and stated that he/she is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last written above.

Notary Public in and for the State of _____
Residing at _____
My commission expires: _____
Print Name: _____

EXHIBIT A to SNDA

Legal Description