

REAL ESTATE EXCHANGE AGREEMENT UNDER THREAT OF CONDEMNATION AND JOINT ESCROW INSTRUCTIONS

THIS REAL ESTATE EXCHANGE AGREEMENT UNDER THREAT OF CONDEMNATION AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is dated as of the ____ day of June, 2019 by and between PROLOGIS TARGETED U.S. LOGISTICS FUND, L.P., a Delaware limited partnership ("**Owner**"), and CITY OF CARSON, a California charter city ("**City**"). City and Owner are occasionally herein each individually referred to as a "**Party**" and jointly as the "**Parties**".

RECITALS

- A. Owner, as the legal successor in interest to AMB Institutional Alliance Fund III, L.P. a Delaware limited partnership, holds fee title to that certain improved real property (APN 7339-013-024) commonly known as 18620 South Broadway & 18601 South Main Street in the City of Carson, County of Los Angeles, State of California, consisting of approximately 6.39 acres which real property is legally described in attached Exhibit A ("**Owner Property**").
- B. City holds fee title to that certain improved real property (APN 7316-026-900) located at 2390/2400 E. Dominguez, in the City of Carson, County of Los Angeles, State of California, consisting of approximately 10.48 acres which is legally described in attached Exhibit B ("**City Property**").
- C. Owner Property and City Property are sometimes jointly referred to as the "**Properties**" or individually as a "**Property**". As used herein, each Property shall be defined to include the real property described on Exhibits A and B, respectively (the "**Real Property**"), together with the buildings and improvements thereon (the "**Improvements**"), and all appurtenances of the above-described Real Property, including easements or rights-of-way relating thereto, and, without warranty, all right, title, and interest, if any, of Seller in and to: (x) the land lying within any street or roadway adjoining the Real Property or any vacated or hereafter vacated street or alley adjoining said Real Property; (y) all minerals, water, oil, gas and other hydrocarbon substances on and under the Real Property; and (z) any and all development rights, air rights and water rights relating solely to the Real Property. Each Property shall also include all right, title and interest in all tangible personal property and intangible property of the Transferring Party.
- D. The Parties previously executed that certain Limited License to Enter Agreement dated June 26, 2018 whereby Owner was permitted to enter the City Property for purposes of examining the City Property ("**License to Enter Agreement**").
- E. A portion of the City Property is currently subject to that certain Parking Lot License Agreement dated March 21, 2000 by and between the City and United Warehouse and Distribution Corporation, a California corporation ("**Parking Lot License**"), which Parking Lot License will be assigned to Owner at the Closing.
- F. The Parties have executed that certain Reimbursement Agreement dated November 29, 2018 ("**Reimbursement Agreement**").
- G. The Parties desire to exchange their respective Property upon the terms and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

TERMS AND CONDITIONS:

1. **RECITALS.** The foregoing recitals are hereby incorporated herein by reference and made a part hereof.

2. **EXCHANGE OF PROPERTIES; WAIVER.**

2.1 **Exchange of Properties.** Owner and City hereby agree to exchange the Properties upon the terms and conditions in this Agreement. For purposes of this Agreement, the Party that is acquiring a Property is hereinafter referred to as the "**Acquiring Party**", the transferring Party is referred to as the "**Transferring Party**" and the respective Property being acquired by the Acquiring Party is referred to as the "**Acquisition Property**" and the respective Property being conveyed is referred to as the "**Transfer Property**". The Parties hereby agree that it is a condition to the Closing that each Party performs with respect to its respective conveyance of its Transfer Property and acquisition of the respective Acquisition Property, and that one Party's breach with respect to a conveyance of its Property or the acquisition of the Acquisition Property shall be deemed the failure of a condition precedent to Closing for the benefit of the other Party hereto and this Agreement shall terminate at the election of the other Party.

2.2 **Threat of Condemnation; Waiver and Release of Condemnation Claims.** The Parties acknowledge that the City's acquisition of the Owner Property pursuant to this Agreement is under threat of condemnation by City. The Owner agrees that this Agreement provides for fair compensation for the Owner Property and City's intent to use the Owner Property for a public use.

2.3 **CEQA.** The transaction reflected in this Agreement is consistent with the permissible uses set forth under the current General Plan and Zoning designations applicable to each of the Properties. Therefore, the uses permitted by the Agreement have been adequately disclosed in the Environmental Impact Report certified in 2004 in connection with the adoption of the City's General Plan.

2.4 **Reimbursement Agreement.** Prior to the Closing, the Parties shall reconcile the amounts deposited and amounts expended under the Reimbursement Agreement and agree as to any amounts due to the City or to be refunded to Owner pursuant to the terms of the Reimbursement Agreement ("**Reimbursement Agreement Reconciliation**"). The Parties shall advise Escrow Holder as to the final determination under this Section.

3. **EFFECTIVE DATE; OPENING OF ESCROW.**

3.1 **Effective Date.** This Agreement shall be deemed effective upon execution of the Agreement by City after approval by the City Council ("**Effective Date**"), provided that Owner has delivered two (2) fully executed copies of this Agreement at least three (3) days prior to the scheduled City Council meeting.

3.2 **Opening of Escrow.** Within two (2) business days (as defined in Section 16.1) after the Effective Date, the Parties shall open an escrow ("**Escrow**") with First American Title Insurance Company ("**Escrow Holder**" and "**Title Company**") by causing an executed copy of this Agreement to be deposited with Escrow Holder ("**Opening of Escrow**"). The Escrow Officer shall be Heather Kucala, National Commercial Services (together with Sydney Homeier as Title Officer) at First American Title Insurance Company, 101 Mission Street, Suite 1600, San Francisco, CA 94105-1730 (415) 837-2295 (Direct) shomeier@firstam.com.

4. EXCHANGE VALUES; VALUATION DIFFERENCE; DEPOSITS.

4.1 Exchange Values of Properties. The Parties agree that the value of the Properties are as follows:

- i. **City Property Valuation.** The City Property has a value of Twenty-Five Million Eight Hundred Twenty-Four Thousand Dollars (\$25,824,000).
- ii. **Owner Property Valuation.** The Owner Property has a value of Fifteen Million Six Hundred Twenty-Four Thousand Dollars (\$15,624,000).

4.2 Valuation Difference. At least one (1) business day prior to the Close of Escrow, Owner shall deliver to Escrow Holder the sum of Ten Million Two Hundred Thousand Dollars (\$10,200,000) which is the difference in the City Property Value and the Owner Property Value, less the City Contribution (as defined in Section 4.4 below) ("**Valuation Difference**").

4.3 Deposits.

- a. **Deposit.** If each of Owner and City issue the written approval ("**Approval Notice**") to the other party (with a copy to Escrow Holder) in the time and manner specified in Section 8.2, Owner must, within one (1) Business Day after delivery of the Approval Notice, deliver the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) to Escrow Holder ("**Deposit**").
- b. **Approval Notice.** If each Acquiring Party issues written approval ("**Approval Notice**") to the other Party (with a copy to Escrow Holder) in the time and manner specified in Section 8.2, each Acquiring Party's right to terminate under Section 8.2 below shall be waived. If either Acquiring Party fails to issue an Approval Notice or disapproves the transaction on or before the Due Diligence Date, this Agreement shall be terminated and the Deposit shall be returned to Owner less escrow cancellation fees.
- c. **Deposit.** The Deposit and interest thereon are collectively referred to as the "**Deposit**".
- d. **Deposit is Non-Refundable.** The Deposit is non-refundable as material consideration to City for holding the City Property off the market. If the Closing does not occur, the Deposit (less escrow cancellation charges) shall be released to City and this Agreement and Escrow shall be terminated; except, however, if the Closing does not occur due to failure of the issuance of the Owner's Title Policy as required by Section 7.2, or for any breach by City, or as otherwise expressly provided herein for termination and return of the Deposit to Owner, in which event the Deposit (less escrow cancellation charges) shall be returned to Owner and this Agreement and Escrow shall be terminated.
- e. **Balance of Funds.** At least one (1) business days prior to the Closing Date, Owner shall deposit with Escrow Holder in Good Funds (as defined below) the Valuation Difference plus any Per Diem Penalty (as defined in Exhibit F) less the Deposit, the City Contribution and any Change Order Amounts (as defined in Exhibit F). The


Owner's Initials

City's Initials

Parties shall provide a written statement to Escrow Holder confirming the calculation of the foregoing amount to be deposited.

- f. **Good Funds.** All funds deposited in Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

4.4 Construction of Additional Improvements on Owner Property. Prior to the Close of Escrow, Owner shall construct the improvements as specified on Exhibit F ("**Additional Improvements**") on the Owner Property. The estimated cost of the Additional Improvements is Four Million One Hundred Ten Thousand Dollars (\$4,110,000) ("**Additional Improvements Cost**"). Owner shall be responsible to pay Two Million Four Hundred and Ten Thousand Dollars (\$2,410,000) of the Additional Improvements Cost ("**Owner Contribution**") and City shall be responsible for the Additional Improvements Cost in excess of Owner's Contribution ("**City Contribution**"). City shall also be responsible to pay for any Change Orders Amounts pursuant to Section 6 of Exhibit F.

4.5 Independent Contract Consideration.

a. **City Consideration.** The sum of One Hundred Dollars (\$100) shall be paid by City to Owner ("**City Independent Contract Consideration**") which is non-refundable consideration for City's exclusive right to inspect and purchase the Owner Property pursuant to this Agreement and City's execution, delivery and performance of this Agreement. The City Independent Contract Consideration shall be retained by Owner and shall not be deposited into Escrow nor credited in the Escrow.

b. **Owner Consideration.** The sum of One Hundred Dollars (\$100) shall be paid by Owner to City ("**Owner Independent Contract Consideration**") which is non-refundable consideration for Owner's exclusive right to inspect and acquire the City Property pursuant to this Agreement and Owner's execution, delivery and performance of this Agreement. The Owner Independent Contract Consideration shall be retained by City and shall not be deposited into Escrow nor credited in the Escrow.

4.6 Additional Owner Obligations. Prior to the Effective Date, Owner has paid for the environmental investigations (including environmental reports), and ALTA surveys for both Properties (collectively the "**Reports**") at its sole cost and expense and shall have no right for reimbursement from City. If this Agreement terminates for any reason other than a City default, City shall have the right to retain and use all such Reports with respect to the City Property without compensation to Owner, provided that any use of such Reports by City is at City's sole risk and without any representation or warranty by Owner or its consultants.

5. FUNDS AND DOCUMENTS REQUIRED FROM OWNER AND CITY.

5.1 City. City agrees that on or before 12:00 noon at least two (2) business days prior to the Closing Date, City will deposit with Escrow Holder such items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for Escrow Holder to comply with this Agreement, including without limitation:

- i. Executed and recordable grant deed for the City Property in the form attached hereto as Exhibit C ("**City Property Grant Deed**") and such other documents as reasonably required by Title Company.
- ii. An original City executed certificate of acceptance to be attached to the Owner Property Grant Deed (as defined in Section 5.2.a below) ("**Certificate of**

Acceptance").

- iii. A Non-Foreign Affidavit as required by federal law and a Form 593-C, as required by the State of California, executed by City.
- iv. A Preliminary Change of Ownership Statement for the Owner Property completed in the manner required in Los Angeles County and executed by City.
- v. Two (2) City executed originals of the Assignment and Assumption of the Parking License Agreement in the form attached hereto as Exhibit E assigning the Parking Lot License ("**License Assignment**").
- vi. A City executed short term Lease for City's continued possession of the City Property after the Closing for a period of thirty (30) days in the form attached hereto as Exhibit I ("**City Leaseback**"). (City shall initial each page of the City Leaseback.)
- vii. A notice to the tenant under the Parking Lot License regarding the sale in a form approved by Owner for delivery by Owner to the tenant immediately after the Closing.
- viii. City's best efforts to obtain an estoppel from the tenant under the Parking Lot License in a form reasonably approved in advance by Owner.
- ix. Such other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement and for issuance of the Title Policy to Owner for the City Property, including without limitation, an owner's affidavit and, if required by the Title Company, a broken priority/mechanics' lien indemnity in the form required by the Title Company.

5.2 Owner. Owner agrees that on or before 12:00 noon at least two (2) business days prior to the Closing Date, Owner will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- a. Executed and recordable grant deed for the Owner Property in the form attached hereto as Exhibit D ("**Owner Property Grant Deed**") and such other documents as reasonably required by Title Company.
 - (1) The Certificate of Acceptance shall be attached to the Owner Property Grant Deed prior to recordation.
 - (2) City shall have the right to designate the Carson Reclamation Authority, a joint powers authority, to be the grantee in the Owner Property Grant Deed provided City notifies Owner of such request not less than five (5) days prior to the Closing. Notwithstanding such designation by City, City shall not be released from any of its obligations under this Agreement, including without limitation, City's obligations which survive the Closing. If City designates the Carson Reclamation Authority as grantee in the Owner Property Grant Deed, City shall, as a condition Owner's obligation to accept such designation, cause Carson Reclamation Authority to execute an acknowledgement and agreement that Carson Reclamation Authority shall be bound by the Acquiring Party's obligations under the provisions of Section 8.3, 11.1, 11.3 (including the definitions and survival paragraph), and 16.11 of this Agreement, to the same extent as City, in such form as is mutually agreed

upon by the parties.

- b. A Preliminary Change of Ownership Statement for the City Property completed in the manner required in Los Angeles County and executed by Owner.
- c. A Non-Foreign Affidavit as required by federal law and a Form 593-C, as required by the State of California, executed by Owner.
- d. Two (2) Owner executed originals of the City Leaseback. (Owner shall initial each page of the City Leaseback.)
- e. Two (2) Owner executed originals of the License Assignment.
- f. An assignment of all construction warranties received by Owner to the City for the Additional Improvements in a form acceptable to City.
- g. Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement, and for issuance of the Title Policy to City, including without limitation, an owner's affidavit and a broken priority/mechanic lien indemnity in the form required by the Title Company.

6. CLOSING DATE; TIME IS OF ESSENCE.

6.1 Closing Date. Escrow shall close on or before forty-five (45) days after the Completion of the Additional Improvements (as defined in Section 9 of Exhibit F), but in all events, no later than the date which is nine (9) months after the City's full and final approval of the plans and specifications for the Additional Improvements (pursuant to Exhibit F) and City's issuance of all necessary permits for the Additional Improvements ("**Closing Date**") unless extended due to force majeure events (defined below) on a day for day basis, and/or unless otherwise extended as evidenced by a writing signed by both Parties. The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the time that both the City Property Grant Deed and the Owner Property Grant Deed are filed by Escrow Holder for recordation in the Office of the County Recorder of Los Angeles County. After Closing, Escrow Holder shall deliver one (1) fully assembled copy of the License Assignment and City Leaseback to each Party.

6.2 Possession of Properties.

- a. **Owner Property.** After Closing, possession of the Owner Property shall be promptly delivered to City.
- b. **City Property.** After Closing, City shall retain possession of the City Property for up to (30) days pursuant to the City Leaseback. Upon termination of the City Leaseback, City shall deliver possession of the City Property to Owner pursuant to the terms of the City Leaseback and otherwise in the condition as existed as of the Closing Date, subject to City's right to remove its personal property and fixtures.

6.3 Time is of Essence. Owner and City specifically agree that time is of the essence under this Agreement.

6.4 Extensions. City Manager or his/her designee (who has been designated in writing by the City Manager) shall, in his/her sole and exclusive discretion, on behalf of City, have the authority to approve written requests from Owner for extending any deadline under this Agreement for

up to an additional ninety (90) days cumulatively. All extension shall be in writing and signed by the City Manager or his/her designee.

7. TITLE POLICIES.

7.1 Approval of Title for Acquiring Property.

(a) Prior to the Effective Date, a title commitment for each Property has been issued by the Title Company, describing the state of title of the Property, together with copies of all exceptions listed therein (each a "**Title Commitment**"). ALTA surveys have been prepared for both Properties which Owner shall deliver to the Title Company as soon as possible after the Opening of Escrow. On or prior to that date which is five (5) business days before the Due Diligence Date, the Acquiring Party shall notify Transferring Party in writing ("**Acquiring Party's Title Notice**") of Acquiring Party's disapproval of any matters contained in the Title Commitment for the Acquiring Property ("**Disapproved Exceptions**").

(b) In the event Acquiring Party delivers the Acquiring Party's Title Notice within said period, the Transferring Party shall have a period of two (2) business days after receipt of the Acquiring Party's Title Notice in which to notify the Acquiring Party of the Transferring Party's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Transferring Party's Notice**"). If the Transferring Party notifies Acquiring Party of its election to decline to remove the Disapproved Exceptions, if Transferring Party does not respond within such two (2) business day period, or if the Transferring Party is unable to remove the Disapproved Exceptions, the Acquiring Party may elect either to terminate this Agreement and the Escrow or to accept title to the Acquisition Property subject to the Disapproved Exception(s). The Acquiring Party shall exercise such election by delivery of written notice to the Transferring Party and Escrow Holder within three (3) business days following the earlier of (i) the date of written advice from the Transferring Party that such Disapproved Exception(s) cannot be removed; (ii) the expiration of the two (2) business day period and Transferring Party has not responded, or (iii) the date the Transferring Party declines to remove such Disapproved Exception(s).

(c) Upon the issuance of any amendment or supplement to the Preliminary Title Report for a Property which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Acquiring Party's initial period of review and approval or disapproval of any such additional exceptions shall be limited to three (3) business days following receipt of notice of such additional exceptions. All other time periods shall remain as described in Section 7.1(b) above. Upon completion of the Additional Improvements, an updated ALTA survey shall be provided by Owner to both the Title Company and City.

7.2 Title Policies.

a. **City Title Policy.** At the Close of Escrow, Escrow Holder shall furnish City an ALTA extended owner's policy of title insurance ("**City Title Policy**") insuring title to the Owner Property is vested in the City with coverage in the amount equal to the sum of (y) the Owner Property Valuation, plus (z) actual cost of the Additional Improvements, containing only (i) exceptions approved or waived by City in accordance with Section 7.1; and (ii) any exception caused by City, including, but not limited to, liens under Section 8.3. The City Title Policy shall specifically include coverage against mechanic liens due to the Additional Improvements.

b. **Owner Title Policy.** At the Close of Escrow, Escrow Holder shall furnish Owner an ALTA extended owner's policy of title insurance ("**Owner Title Policy**") insuring title to the City Property is vested in Owner with coverage in the amount of City Property Valuation

containing only (i) exceptions approved or waived by Owner in accordance with Section 7.1; (ii) any exception caused by Owner, including, but not limited to, liens under Section 8.3; (iii) Parking Lot License Agreement; and (iv) the City Leaseback.

c. **Title Policies.** The City Title Policy and Owner Title Policy are jointly referred to herein as the **"Title Policies"**.

8. DUE DILIGENCE FOR PROPERTIES.

8.1 Scope of Due Diligence. Prior to the Effective Date, each Transferring Party shall have delivered to the Acquiring Party the documents identified on Exhibit G and any other documents within Transferring Party's possession (provided however, that such reports, documents or surveys to be provided by Owner to City as specifically stated in this Agreement may be delivered at such later date described herein). Prior to the Effective Date, each Acquiring Party shall have had the right to obtain, at its sole cost except as otherwise specified herein, and to conduct, such non-invasive environmental studies and other non-invasive investigations as the Acquiring Party in its sole discretion may desire for the Acquisition Property, to permit that Acquiring Party to determine the suitability of the Acquisition Property it is acquiring for its contemplated uses and to conduct such other review and non-invasive investigation which the Acquiring Party deems appropriate to satisfy itself to acquire the Acquisition Property. Pursuant to Section 8.3, Escrow Holder shall order a Natural Hazard Disclosure Report for each Acquisition Property to be reviewed by the Acquiring Party as part of its due diligence.

8.2 Approval of Due Diligence Matters. Acquiring Party shall notify Transferring Party in writing (**"Acquiring Party's Due Diligence Notice"**) no later than ten (10) business days from the Effective Date (**"Due Diligence Date"**) of Acquiring Party's approval or disapproval of the condition of the Acquisition Property and Acquiring Party's investigations with respect thereto (excluding title matters which are to be approved or disapproved pursuant to Section 6), which approval may be issued or withheld in Acquiring Party's sole and absolute discretion. Acquiring Party's failure to deliver Acquiring Party's Due Diligence Notice on or before the Due Diligence Date shall conclusively be deemed Acquiring Party's disapproval of the condition of the Acquisition Property.

8.3 Natural Hazard Disclosure Requirement Compliance. Acquiring Party and Transferring Party acknowledge that Transferring Party may be required to disclose if its Property lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency (California Civil Code Section 1102.17); (ii) an area of potential flooding (California Government Code Section 8589.4); (iii) a very high fire hazard severity zone (California Government Code Section 51183.5); (iv) a wild land area that may contain substantial forest fire risks and hazards (Public Resources Code Section 4136); (v) an earthquake fault zone (Public Resources Code Section 2621.9); or (vi) a seismic hazard zone (Public Resources Code Section 2694). Within three (3) days of Opening of Escrow, Escrow Holder shall engage the services of affiliate of the Title Company which specializes in such services (which, in such capacity, is herein called **"Natural Hazard Expert"**) to provide a commercial natural hazard disclosure report for each Acquisition Property (**"Natural Hazard Disclosure Report"**). Transferring Party's execution of the Natural Hazard Disclosure Report shall in no manner supersede, modify or expand Transferring Party's representations and warranties provided in this Agreement nor shall it modify the disclaimers in Section 11.

8.4 Right to Enter. During the Due Diligence Period, the Transferring Party (**"Granting Party"**) grants to the Acquiring Party (**"Inspecting Party"**), its agents, consultants and employees a limited license to enter upon the Acquisition Property for the purpose of conducting non-invasive engineering surveys, investigations or other studies reasonably necessary to evaluate the condition of

the Acquisition Property, which studies, surveys, reports, investigations and tests shall be done at Acquiring Party's sole cost and expense.

Acquiring Party shall provide Transferring Party with written notice prior to each entry of the date and time of intended entry. Acquiring Party shall (i) notify Transferring Party prior to each such entry of the date and proposed scope of intended work and provide to Transferring Party the names and affiliations of the persons entering the Acquisition Property; (ii) conduct all studies in a diligent, expeditious and safe manner and not create any dangerous or hazardous conditions on the Acquisition Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) allow an employee of Transferring Party to be present at all times; (v) keep the Acquisition Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this paragraph; (vi) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Acquisition Property in the amounts required by the State of California; (vii) provide to Transferring Party prior to initial entry a certificate of insurance evidencing that Acquiring Party has procured and paid premiums for a commercial general liability insurance policy written on a per occurrence and not claims made basis in an amount of ONE MILLION DOLLARS (\$1,000,000) per occurrence and TWO MILLION DOLLARS (\$2,000,000) in the aggregate, which insurance names Transferring Party as additional insured; (viii) return the Acquisition Property to substantially its original condition following Acquiring Party's entry; (ix) provide Transferring Party copies of all final studies, surveys, reports, investigations and other tests prepared by third parties and derived from any permitted inspection ("**Final Reports**"), provided that such Final Reports shall be provided without any representation or warranty from Transferring Party or its contractors or consultants, and Acquiring Party's reliance on such Final Reports shall be at its sole risk; and (x) take the Acquisition Property at Closing subject to any title exceptions caused by Acquiring Party exercising this license.

Without limiting the foregoing, prior to any entry to perform any invasive testing, Acquiring Party shall give Transferring Party written notice thereof, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Transferring Party shall approve or disapprove the scope and methodology of such proposed testing within 3 business days after receipt of such notice, such approval may be withheld in Transferring Party's sole and absolute discretion. Transferring Party's failure to provide such approval or disapproval notice shall be deemed disapproval. If Acquiring Party or its representatives take any sample from the Acquisition Property in connection with any such approved testing, Acquiring Party shall provide to Transferring Party a portion of such sample being tested to allow Transferring Party, if it so chooses, to perform its own testing at Transferring Party's sole cost.

Acquiring Party agrees to indemnify, and hold Transferring Party and their respective officials, officers, employees, and agents free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) ("**Liabilities**") which Transferring Party may suffer or incur to the extent caused by Acquiring Party's entry onto the Transferred Property or any act or omission by Acquiring Party, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Acquiring Party (on the Acquisition Property, but excluding (a) Liabilities caused by Transferring Party or any of its indemnitees; (b) Liabilities resulting from the mere discovery by Acquiring Party of a pre-existing condition at, on or under the Property. This obligation shall survive the Closing or termination of this Agreement for any reason.

Owner's indemnity obligations under the License to Enter Agreement existing prior to the Effective Date shall remain in full force and effect. As of the Effective Date, the provisions in this Section 8 shall control entry by Owner over the terms of the License.

9. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

9.1 Conditions to Owner's Obligations. The obligations of Owner under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Owner of each of the following conditions precedent ("**Owner's Conditions Precedent**"):

- (a) Title Company will commit to issue the Owner Title Policy for the City Property as specified in Section 7.2.
- (b) Owner has approved the Due Diligence matters for the City Property in accordance with Section 8.
- (c) Escrow Holder holds and will deliver to Owner the instruments and funds, if any, accruing to Owner pursuant to this Agreement.
- (d) City is not in default of and has performed its obligations under this Agreement and all City deliveries to be made at Closing have been delivered to Escrow.
- (e) City's representations and warranties contained herein shall be true and correct as of the Effective Date and the Closing Date. For purposes of this clause (e), if a representation is made to knowledge, but the factual matter that is the subject of the representation is false notwithstanding any lack of knowledge or notice to the party making the representation, such event shall constitute a failure of this condition only, and not a default by the party making the representation.
- (f) There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against the City.
- (g) There shall exist no pending or threatened action, suit or proceeding with respect to the City before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transactions contemplated hereby.
- (h) The City shall have posted the Notice of Determination described in Section 2.3 above regarding its CEQA determination and the statute of limitations shall have expired for any CEQA challenges without any lawsuit having been filed, or if filed, such lawsuit shall have been resolved to the satisfaction of Owner, in Owner's sole and absolute discretion.
- (i) City provides evidence of having obtained an environmental insurance policy in favor of the City (or Carson Reclamation Authority, if applicable) for the Owner Property which insurance will be effective as of the Closing.
- (j) There shall exist no pending or threatened action, suit or proceeding with respect to the City's or Owner's compliance with labor code provisions pertaining to public bidding and/or prevailing wages, nor any Department of Industrial Relations inquiry regarding the foregoing.

9.2 Conditions to City's Obligations. The obligations of City under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by City of the following conditions precedent:

- (a) The Title Company will commit to issue the City Title Policy for the Owner Property as specified in Section 7.2.
- (b) City has approved the Due Diligence matters for the Owner Property in accordance with Section 8.
- (c) Owner has delivered the funds as required by Section 4.3 to Escrow Holder.
- (d) Escrow Holder holds and will deliver to City the instruments and funds accruing to City pursuant to this Agreement.
- (e) Owner is not in default of and has performed its obligations under this Agreement and all City deliveries to be made at Closing have been delivered to Escrow.
- (f) Any outstanding amounts due to City under the Reimbursement Agreement shall be paid by Owner through the Escrow.
- (g) Owner's representations and warranties contained herein shall be true and correct as of the Effective Date and the Closing Date. For purposes of this clause (g), if a representation is made to knowledge, but the factual matter that is the subject of the representation is false notwithstanding any lack of knowledge or notice to the party making the representation, such event shall constitute a failure of this condition only, and not a default by the party making the representation.
- (h) There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against the Owner.
- (i) There shall exist no pending or threatened action, suit or proceeding with respect to the Owner before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transactions contemplated hereby.
- (j) The City shall have posted the Notice of Determination described in Section 2.3 above regarding the CEQA determination and the statute of limitations shall have expired for any CEQA challenges without any lawsuit having been filed, or if filed, such lawsuit shall have been resolved to the satisfaction of City, in City's sole and absolute discretion.
- (k) The Additional Improvements have been completed pursuant to Section 8.2 of Exhibit E.

9.3 Failure of a Condition. So long as a Party is not in default hereunder, if any condition to such Party's obligation to proceed with the Closing hereunder has not been satisfied as of the Closing Date, such Party may, in its sole discretion, (x) terminate this Agreement by delivering written notice to the other Party on or before the Closing Date, and upon such termination, the Deposits shall be returned to Owner, (y) elect to extend the Closing until such condition is satisfied, and (z) elect to consummate the transaction, notwithstanding the non-satisfaction of such condition, in which event such Party shall be deemed to have waived any such condition. In the event such Party elects to close, notwithstanding the non-satisfaction of such condition, there shall be no liability on the part of any other Party hereto for breaches of representations and warranties of which the Party electing to close had actual knowledge at the Closing. Notwithstanding the foregoing, the failure of a

condition due to the breach of a Party shall not relieve such breaching Party from any liability it would otherwise have pursuant to this Agreement.

9.4 REMEDIES FOR BREACH.

a. **No Specific Performance.** The Parties intend that their respective obligations under this Agreement are solely to accomplish the Exchange of the City Property and the Owner Property. If a Party defaults under this Agreement, the remedy of specific performance is not available. The sole remedy of the non-defaulting Party shall be to recover liquidated damages as set forth below. However, if Owner fails to complete the Additional Improvements by the Outside Completion Date (as defined in Exhibit F), City shall be credited with the Per Diem Late Fee (as defined in Exhibit F).

b. **LIQUIDATED DAMAGES FOR OWNER BREACH.** IF OWNER SHOULD DEFAULT UNDER THIS AGREEMENT TO PROCEED TO CLOSING, BOTH PARTIES AGREE THAT CITY WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. THEREFORE, THE PARTIES, IN A REASONABLE EFFORT TO ASCERTAIN WHAT THE CITY'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY OWNER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE SUM OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) SHALL CONSTITUTE A REASONABLE ESTIMATE OF CITY'S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671 AND 1677 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE FOR A BREACH PRIOR TO THE CLOSING. IN THE EVENT OWNER FAILS, WITHOUT LEGAL EXCUSE SUCH AS A MATERIAL DEFAULT BY CITY, TO COMPLETE THE PURCHASE OF THE CITY PROPERTY, THE PAYMENT OF THE SUM OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) AS LIQUIDATED DAMAGES AND CITY'S RECEIPT OF SAME SHALL BE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO CITY FOR SUCH FAILURE. OWNER SHALL PROMPTLY DIRECT ESCROW HOLDER TO DELIVER SAID SUM TO CITY FROM THE DEPOSIT. THE AMOUNT DUE TO CITY SHALL BEAR INTEREST AT THE RATE OF TEN PERCENT (10%) PER ANNUM FROM THE DUE DATE UNTIL ACTUALLY PAID TO CITY. FURTHERMORE, AFTER SUCH BREACH, CITY SHALL NOT BE OBLIGATED TO TRANSFER CITY PROPERTY TO OWNER UNDER THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF OWNER TO CITY UNDER THIS AGREEMENT.

City's Initials



Owner's Initials

c. **LIQUIDATED DAMAGES FOR CITY BREACH.** IF CITY SHOULD DEFAULT UNDER THIS AGREEMENT TO PROCEED TO CLOSING, BOTH PARTIES AGREE THAT OWNER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. THEREFORE, THE PARTIES, IN A REASONABLE EFFORT TO ASCERTAIN WHAT THE OWNER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY CITY HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT (a) IF THE DEFAULT OCCURS PRIOR TO OWNER'S COMMENCEMENT OF CONSTRUCTION OF THE ADDITIONAL IMPROVEMENTS, THE SUM OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000); AND (b) IF DEFAULT OCCURS AFTER OWNER'S COMMENCEMENT OF CONSTRUCTION OF THE ADDITIONAL IMPROVEMENTS, THE SUM OF THREE MILLION (\$3,000,000), SHALL CONSTITUTE A

REASONABLE ESTIMATE OF OWNER'S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671 AND 1677 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE FOR A BREACH. IN THE EVENT CITY FAILS, WITHOUT LEGAL EXCUSE SUCH AS A MATERIAL DEFAULT BY OWNER, TO COMPLETE THE PURCHASE OF THE OWNER PROPERTY, THE PAYMENT OF THE SUM SPECIFIED ABOVE AS LIQUIDATED DAMAGES AND OWNER'S RECEIPT OF SAME SHALL BE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO OWNER FOR SUCH FAILURE. CITY SHALL PROMPTLY DELIVER SAID SUM TO OWNER AND THE AMOUNT SHALL BEAR INTEREST AT THE RATE OF TEN PERCENT (10%) PER ANNUM FROM THE DUE DATE UNTIL ACTUALLY PAID TO OWNER. FURTHERMORE, AFTER SUCH BREACH, OWNER SHALL NOT BE OBLIGATED TO TRANSFER OWNER'S PROPERTY TO CITY UNDER THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF CITY TO OWNER UNDER THIS AGREEMENT.

City's Initials



Owner's Initials

10. **Damage or Condemnation.** If before the Closing a Property or any portion thereof shall be materially damaged, or the commencement of condemnation proceedings (excluding, however, any and all condemnation actions by the City related to the Owner Property) shall affect all or a material portion of a Property, then Acquiring Party may terminate this Agreement by written notice to Transferring Party delivered within ten (10) days of Transferring Party's written notice to the Acquiring Party as to the occurrence of the damage or taking. The foregoing shall expressly exclude, however, (A) the City's threatened condemnation of the Owner Property as described in Section 2.2 above, and (B) any material damage to the Improvements on the City Property, except to the extent such damage is estimated to increase the cost of Owner's demolition or construction costs by more than one percent (1%) of the City Property Valuation. In the event of such termination, Escrow Holder shall refund the Deposit to Owner, and neither Party shall have any further rights or liabilities hereunder except for indemnity obligations under Section 8.4. For the purposes of this Section, the phrases "**material damage**" and "**materially damaged**" means damage either (a) reasonably exceeding one percent (1%) of the applicable property valuation ("**Casualty Threshold**") to repair or restore. For purposes of this Section, the phrase "**material portion**" means a condemnation that either (A) affects more than three percent (3%) of the usable square footage of the applicable Property, or (B) results in a material impairment of access to the Property. If the Closing Date is within the aforesaid 10-day period, then Closing shall be extended to the next business day following the end of said 10-day period. If termination notice is not delivered in the time and manner specified, and in any event if the damage or condemnation is not material, this Agreement shall remain in full force and effect and the exchange contemplated herein, less any interest taken by eminent domain or condemnation, shall be effected with no further adjustment. In the event of a Closing under this Agreement following a condemnation or an insured casualty, Transferring Party shall at Closing: (i) assign, transfer and set over to Acquiring Party all of the right, title and interest of Transferring Party in and to any awards that have been or that may thereafter be made for such taking, or any insurance proceeds that may thereafter be made for such damage or destruction ("**Proceeds Assignment**"), and (ii) give Acquiring Party a credit at Closing for an amount equal to: (x) the sum ("**Credit**") of any condemnation awards or insurance proceeds actually received by Transferring Party as a result of any such condemnation or damage or destruction, and the amount of any insurance deductible under such policies (but in no event shall the amount of such credit exceed the Property Valuation for such Property), less (z) any amounts expended by Transferring Party to date in restoring such damage resulting from the casualty or condemnation and only to the extent such expenditures are covered by insurance or condemnation awards ("**Covered Expenditures**"). In the event the Credit is not sufficient to cover the Covered Expenditures, Transferring Party shall expressly retain the right to receive such

future proceeds to and only to the extent to fully satisfy any remaining Covered Expenditures in the Proceeds Assignment. The provisions of this Section 10 shall survive the Closing and recordation of the Deeds, and shall not be deemed merged into any of the Closing documents.

11. DISCLAIMERS REGARDING CONDITION OF THE PROPERTIES AND USES.

11.1. Disclaimer of Warranties. UPON THE CLOSE OF ESCROW AND EXCEPT AS EXPRESSLY PROVIDED BY THE APPLICABLE TRANSFERRING PARTY IN SECTION 12.1 BELOW AND EXCEPT AS OTHERWISE PROVIDED IN THE CITY LEASEBACK (IF ANY) OR IN EXHIBIT F WITH RESPECT TO THE ADDITIONAL IMPROVEMENTS, EACH ACQUIRING PARTY ON BEHALF OF ITSELF, ANY AFFILIATES, AND ITS SUCCESSORS AND ASSIGNS SHALL ACQUIRE THE ACQUISITION PROPERTY IN ITS "AS-IS" CONDITION AND THE ACQUIRING PARTY SHALL WAIVE ITS RIGHT TO RECOVER FROM AND FOREVER RELEASE THE TRANSFERRING PARTY FROM AND AGAINST ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGE, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS OR EXPENSES WHATSOEVER (INCLUDING WITHOUT LIMITATION, ATTORNEY'S FEES AND COSTS) OF WHATEVER KIND OR NATURE, DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR FUTURE THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY CONNECTED WITH THE CONDITION OF THE ACQUISITION PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING WITHOUT LIMITATION, ANY DEFECTS IN THE ACQUISITION PROPERTY, WHETHER PATENT OR LATENT, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND GEOTECHNICAL CONDITION OF THE ACQUIRING PROPERTY, AND THE EXISTENCE OF ANY CONTAMINATION, HAZARDOUS MATERIALS, VAULTS, DEBRIS, PIPELINES, OR OTHER STRUCTURES LOCATED ON, UNDER OR ABOUT THE ACQUISITION PROPERTY, AND, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE TRANSFERRING PARTY MAKES NO OTHER REPRESENTATION OR WARRANTY CONCERNING THE PHYSICAL, ENVIRONMENTAL, GEOTECHNICAL OR OTHER CONDITION OF THE ACQUISITION PROPERTY, AND THE TRANSFERRING PARTY SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES OF ANY NATURE CONCERNING THE ACQUISITION PROPERTY MADE BY IT. THE FOREGOING DISCLAIMER INCLUDES, WITHOUT LIMITATION, TOPOGRAPHY, CLIMATE, AIR, WATER RIGHTS, UTILITIES, SOIL, SUBSOIL, EXISTENCE OF HAZARDOUS MATERIALS OR SIMILAR SUBSTANCES, THE PURPOSE FOR WHICH THE ACQUISITION PROPERTY IS SUITED, OR DRAINAGE.

City's Initials



Owner's Initials

11.2. Assurances for City Property. City acknowledges and agrees that (a) Owner is acquiring the City Property to use same for truck and trailer parking and storage and/or use of the existing improvements thereon for an industrial building or buildings, and/or for the construction and use of a new industrial building or buildings thereon ("**Owner's Intended Use**"), and (b) the City Property is currently zoned heavy industrial (M2) which will permit Owner's Intended Use without requiring a conditional use permit. Furthermore, with respect to Owner's Intended Use of the City Property and any future use permitted under the current zoning, City agrees to waive (i) all development impact fees; (ii) CFD requirements and assessments, and similar requirements and assessments, including without limitation, any requirement that the City Property be subject to the City of Carson Community Facilities District 2018-01 or annexation into the Future Annexation Area as defined in Resolution No 19-009; and (iii) permit and plan check fees with respect to the City Property. City further agrees to expedite all plan checks and approvals such that the City will respond to submittals in no more than twenty-one (21) days after receipt of a complete submittal.

11.3. Hazardous Materials. Each Acquiring Party acknowledges that they have had opportunity to fully investigate the Acquisition Property. Acquiring Party understands and agrees that, in the event Acquiring Party incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or underground storage tanks attributable to events occurring prior to the Closing, then Acquiring Party may look to their experts and/or prior owners of the Acquisition Property, but in no event shall Acquiring Party look to Transferring Party for any liability regarding Hazardous Materials and/or underground storage tanks. **EXCEPT AS EXPRESSLY PROVIDED BY THE APPLICABLE TRANSFERRING PARTY IN SECTION 12.1 BELOW AND EXCEPT AS OTHERWISE PROVIDED IN THE CITY LEASEBACK, ACQUIRING PARTY, FROM AND AFTER THE CLOSING, HEREBY WAIVES, RELEASES, REMISES, ACQUITS AND FOREVER DISCHARGES TRANSFERRING PARTY, AND EACH OF THE ENTITIES CONSTITUTING TRANSFERRING PARTY, IF ANY, OF AND FROM ANY AND ALL ENVIRONMENTAL CLAIMS, ENVIRONMENTAL CLEANUP LIABILITY AND ENVIRONMENTAL COMPLIANCE COSTS, AS THOSE TERMS ARE DEFINED BELOW, AND FROM ANY AND ALL ACTIONS, SUITS, LEGAL OR ADMINISTRATIVE ORDERS OR PROCEEDINGS, DEMANDS, ACTUAL DAMAGES, PUNITIVE DAMAGES, LOSS, COSTS, LIABILITIES AND EXPENSES, WHICH CONCERN OR IN ANY WAY RELATE TO THE PHYSICAL OR ENVIRONMENTAL CONDITIONS OF THE PROPERTY, THE EXISTENCE OF ANY HAZARDOUS MATERIAL THEREON, OR THE RELEASE OR THREATENED RELEASE OF HAZARDOUS MATERIALS THERE FROM, WHETHER EXISTING PRIOR TO OR AT THE CLOSING.**

In connection therewith, Acquiring Party and each of the entities constituting Acquiring Party, expressly agree to waive any and all rights which said party may have with respect to such foregoing released claims under Section 1542 of the California Civil Code which provides as follows:

"A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor or released party."

Owner Initials _____



City Initials _____

For purposes of this Agreement, the following terms shall have the following meanings:

"Environmental Claim" means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party relating to the Property or its operations and arising or alleged to arise under any Environmental Law. Environmental Claim expressly excludes any claim for personal injury or death made by any employee of the City with respect to the City Property.

"Environmental Cleanup Liability" means any cost or expense of any nature whatsoever incurred to contain, remove, remediate, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Acquisition Property, including the ground water thereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (ii) any cost, expense, loss or damage incurred with respect to the Acquisition Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

"Environmental Compliance Cost" means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect.

Environmental Compliance Cost shall include all costs necessary to demonstrate that the Property is in such compliance.

"Environmental Law" means any applicable federal, State of California or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

"Hazardous Material" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term Hazardous Material includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (iii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iv) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Sections 25501(o) and (p) and 25501.1 of the California Health and Safety Code (Hazardous Materials Release Response Plans and Inventory); (v) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code (Underground Storage of Hazardous Substances); (vi) "used oil" as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 1 of Title 22 of the California Code of Regulations, Division 4, Chapter 30; (ix) defined as "waste" or a "hazardous substance" pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. §1317; (xi) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903); (xii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq. (42 U.S.C. §9601); (xiii) defined as "Hazardous Material" or a "Hazardous Substance" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; or (xiv) defined as such or regulated by any "Superfund" or "Superlien" law, or any other applicable federal, State of California or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials, oil wells, underground storage tanks, and/or pipelines, as now, or at any time hereafter, in effect.

Notwithstanding any other provision of this Agreement, Acquiring Party's waivers and releases as set forth in the provisions of this Section, as well as all other provisions of this Section, shall survive the termination of this Agreement.

12. REPRESENTATIONS AND WARRANTIES.

12.1 Representations and Warranties. Each Transferring Party makes the following representations and warranties to the Acquiring Party, each of which is true in all respects as of the Effective Date and shall be true in all respects on the date of Close of Escrow, with respect to the Acquisition Property:

(a) Owner has been duly organized and is validly existing and in good standing in the jurisdiction of its formation and is qualified to do business in the State of California. Owner has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Owner at the Closing will be, authorized and properly executed and constitutes, or will constitute, as appropriate, the valid and binding obligation of Owner, enforceable in accordance with their terms.

(b) City is a charter city in the State of California. As of the Effective Date, City will have the full right and authority, and will have obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by City at the Closing will be, authorized and properly executed and constitutes, or will constitute, as appropriate, the valid and binding obligation of City, enforceable in accordance with their terms.

(c) To Transferring Party's knowledge, Transferring Party has not received any written notice that the Acquisition Property is in violation of any federal, state or local law, ordinance or regulation relating to either industrial hygiene or to the environmental conditions on, under or about the Acquisition Property including, but not limited to, soil and ground water conditions. To Transferring Party's knowledge, Transferring Party has received no written notice from any third parties, prior owners of the Acquisition Property, or any federal, state or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Acquisition Property.

(d) There are no service contracts and or leases affecting the Transferred Property which will survive Closing except the Parking Lot License which affects the City Property.

(e) There is no agreement to which Transferring Party is a party or to its knowledge binding on Transferring Party which is in conflict with this Agreement. To Transferring Party's knowledge and except as otherwise contemplated herein, the Transferring Party has not received written notice from any applicable governmental authority of any pending or threatened action against Transferring Party or the Acquisition Property, including condemnation proceedings, which challenges or impairs Transferring Party's ability to execute or perform its obligations under this Agreement.

(f) Transferring Party is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto. (Each Party is aware that this representation and warranty does not limit its responsibility to comply with applicable federal law with respect to its duty to investigate the other Party with respect to the executive order.)

"Transferring Party's knowledge," as used in this Agreement means the current actual knowledge of John Low and Kelly Dergham as to Owner, and John Raymond and David Roberts as to City, without any duty of inquiry or investigation and without personal liability whatsoever.

12.2 Survival of Representations and Warranties of Transferring Party. The representations and warranties in Section 12.1 shall survive the Closing and delivery of the respective Grant Deed for the Acquisition Property for a period of two (2) years.

12.3 Breach; Indemnification; Limitation. If a breach of a representation or warranty under Section 12.1 occurs before Closing and Acquiring Party is aware of such a breach has occurred, the breach shall be grounds to terminate this Agreement by the Acquiring Party. If Acquiring

Party is aware of such a breach and proceeds to Closing, Acquiring Party shall be deemed to have waived any claim or action with respect to the matter giving rise to such a breach. Notwithstanding anything to the contrary contained herein, each Acquiring Party agrees to seek recourse solely against its Title Policy to the extent that such matter is covered by the Title Policy.

12.4 Transferring Party Covenants. Until Closing, Transferring Party shall not enter into any contract, do anything which would impair Transferring Party's title to the Acquisition Property or which would create an obligation on Acquiring Party or the Acquisition Property after the Closing. If Transferring Party learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Transferring Party shall immediately give written notice of such fact or condition to Acquiring Party. During the pendency of this Agreement Transferring Party shall carry on its business and activities relating to the Transfer Property substantially in the same manner as it did before the Effective Date, including maintaining, at its sole cost and expense, Transferring Party's existing policy or policies of insurance insuring the Property.

13. ESCROW PROVISIONS.

13.1 Escrow Instructions. Sections 2 through 7, inclusive, 9, 10, 13, 15 and 16 constitute the escrow instructions to Escrow Holder plus Escrow Holder's general escrow provisions which are attached hereto as Exhibit H ("**General Escrow Instructions**"). Owner and City agree to execute additional escrow instructions requested by Escrow Holder, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail between the Parties. The sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned.

13.2 Miscellaneous.

- a. Recordation of Deeds.** Escrow Holder shall deliver the respective Title Policy to the Acquiring Party for the Acquisition Property and instruct the Los Angeles County Recorder to mail the Grant Deed to the Acquiring Party as indicated on the respective Grant Deed after recordation.
- b. Completion of Documents.** At Closing, Escrow Holder shall complete the documents as follows:
 - (1) Complete the License Assignments with the date of the Closing as the Assignment Date.
 - (2) Complete the City Leaseback by inserting the date of Closing in Section 1(a) as the Effective Date and Section 1(l) as the Commencement Date.
- c. Funds.** All funds received in this Escrow shall be deposited in one or more general interest-bearing escrow accounts of Escrow Holder with any bank doing business in Los Angeles County, California and in accordance with the General Escrow Instructions. All disbursements shall be according to this Agreement.

13.3 Proration of Real Property Taxes.

- a. City Property.** As a public agency, the City Property is not currently subject to real property taxes. According, Owner shall take the City Property subject to non-

delinquent general and special real property taxes and shall be responsible for all real property taxes accruing from the date of Close of Escrow.

- b. **Owner Property.** All non-delinquent general and special real property taxes for the Owner Property shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

13.4 Payment of Costs.

- a. **Cost Allocations.** Owner shall pay all costs and fees for association with the Closing of this transaction, including but not limited to, the Title Policies, the Escrow Fee, Natural Hazard Disclosure Reports, documentary transfer taxes and recording fees. NOTE: The transfer of Owner's Property to City is exempt from documentary transfer taxes under Revenue and Taxation Code Section 11922. No recording fees shall be required for the recordation of the Owner Deed to the City.
- b. **Closing Statement.** At least three (3) business days prior to the Closing Date, Escrow Holder shall furnish each of Owner and City with a separate preliminary Escrow closing statement which shall include each Party's respective shares of costs. Each separate preliminary closing statement shall be approved in writing by each of the Parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of each final Escrow closing statement to the respective Party.

13.5 Termination and Cancellation of Escrow. If Escrow fails to close due to a default of a Party, either Party may elect to cancel this Escrow upon written notice to the other Party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return all documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights each Party may have against the other Party arising from the Escrow or this Agreement. Funds shall be returned in accordance with this Agreement and the Escrow Instructions.

13.6 Information Report. Escrow Holder shall file and each Party agrees to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Each Party agrees that the other Party, their respective employees and attorneys, and Escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such Party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Party shall seek to hold any such Party liable for the disclosure to the Internal Revenue Service of any such information.

13.7 No Withholding as Foreign Seller. Each Party represents and warrants to the other Party that it is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state owner under California Revenue and Tax Code Section 18805 and that it will deliver to the other Party on or before the Close of

Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 593-C.

13.8 Brokerage Commissions. Each Party represents and warrants to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement with the exception of NEWMARK SOUTHERN CALIFORNIA, INC., a California corporation dba NEWMARK KNIGHT FRANK (c/o of Christopher Beck and Danny Williams) (City's Broker) and The Seeley Company (Owner's Broker) (jointly, "**Brokers**"). Owner shall be solely responsible for the payment of commissions to the Brokers pursuant to separate written agreements with the Brokers. Each party agrees to indemnify and hold the other Party harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee except as specified above with respect to the Brokers.

14. NON-COLLUSION. No official, officer, or employee of the City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non-interest" pursuant to California Government Code Sections 1091 and 1091.5. City warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, and City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. City further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. City is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

15. NOTICES. Any notice which either Party may desire to give to the other Party or to Escrow Holder must be in writing and may be given by (a) personal delivery, (b) national overnight delivery service which will be deemed received the following day or (c) by mailing the same by registered or certified mail, return receipt requested which will be deemed delivered three (3) days after depositing same in the mail, addressed to the Party to whom the notice is directed as set forth below, or such other address and to such other persons as the Parties may hereafter designate:

To City: City of Carson
701 E. Carson Street
Carson, CA 90745
Attention: David Roberts, Assistant City Manager
Email: droberts@carson.ca.us

With a Copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Attention: Sunny Soltani, Esq.
Email: ssoltani@awattorneys.com

With a Copy to: Aleshire & Wynder, LLP

18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Attention: Anne Lanphar, Esq.
Email: alanphar@awattorneys.com

To Owner: PROLOGIS TARGETED U.S. LOGISTICS FUND, L.P.
c/o Prologis, L.P.
Attn: John Low
17777 Center Court Drive N, Suite 100
Cerritos, CA 90703-9323
Email: jlow@prologis.com

With a Copy to: Prologis, L.P.
Attn: Anne LaPlace, Jason Bost, and Michael Drummy
1800 Wazee Street, Suite 500
Denver, CO 80202
Email: alaplace@prologis.com, jbost@prologis.com, and
mdrummy@prologis.com

To Escrow Holder: As set forth in Section 3.2

Email addresses are provided for convenience only. Notices to be provided under this Agreement may not be provided via email.

16. GENERAL PROVISIONS.

16.1 Business Days. Owner understands that the City is not open on Fridays. Accordingly, all references to "business days" shall only refer to Monday through Thursdays.

16.2 Assignment. Neither Party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other Party. Notwithstanding the foregoing, Owner may assign this Agreement in connection with a 1031 Exchange as described in Section 16.10 below or to an affiliate or subsidiary of Owner in which Owner or its parent company has an ownership interest (directly or indirectly) and has management authority. Any prohibited assignment shall be void. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the respective Parties and their respective heirs, personal representatives, successors and assigns.

16.3 Fees. In any action between the Parties, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Properties, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

16.4 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both Parties. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

16.5 No Waiver. No delay or omission by either Party in exercising any right or power accruing upon the compliance or failure of performance by the other Party under the provisions of this

Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either Party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

16.6 Modifications and Amendments. Any amendment or modification must be in writing executed by both Parties.

16.7 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16.8 Merger. This Agreement, the exhibits and other documents incorporated herein by reference contain the entire understanding between the Parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect; provided, however, (i) the indemnity obligations of Owner under the License to Enter Agreement which exist prior to the Effective Date shall remain in full force and effect with respect to any entry on the City Property prior to the Effective Date; and (ii) the Reimbursement Agreement shall remain in effect.

16.9 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all Parties are not signatories to the original or the same counterpart.

16.10 Section 1031 Exchange. Owner may consummate the purchase and sale of all or a portion of the Property as part of a so-called like kind exchange ("**1031 Exchange**") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended ("**Code**"), provided that: (a) the Closing shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the 1031 Exchange be a condition precedent or condition subsequent to Owner's obligations under this Agreement; (b) Owner shall effect the 1031 Exchange through an assignment of all or a portion of this Agreement, or its rights under this Agreement, to a qualified intermediary; (c) City shall not be required to take an assignment of the acquisition right for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the 1031 Exchange; (d) Owner shall pay any additional costs that would not otherwise have been incurred by either Party had the Owner not consummated its acquisition through the 1031 Exchange; and (e) Owner shall remain liable under this Agreement. City shall not by this Agreement or acquiescence to the 1031 Exchange (x) have its rights under this Agreement affected or diminished in any manner including, but not limited to the right to acquire Owner Property with the Additional Improvements and the construction representations and warranties and the assignment of all builder warranties, or (y) be responsible for compliance with or be deemed to have warranted to Owner that the Exchange in fact complies with Section 1031 of the Code.

16.11 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each Party agrees to perform, execute and deliver, but without any obligation to incur any additional liability, on or after the Closing, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the respective Property to Acquiring Party.

16.12 No Recordation. Neither Party shall not record this Agreement nor any memorandum of this Agreement.

16.13 Procedure for Indemnity. The following provisions govern actions for indemnity under this Agreement. Promptly after receipt by an indemnitee of notice of any claim, such indemnitee will, if a claim in respect thereof is to be made against the indemnitor, deliver to the indemnitor written notice thereof and the indemnitor shall have the right to participate in and, if the indemnitor agrees in writing that it will be responsible for any costs, expenses, judgments, damages, and losses incurred by the indemnitee with respect to such claim, to assume the defense thereof, with counsel mutually satisfactory to the parties; provided, however, that an indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnitor, if the indemnitee reasonably believes that representation of such indemnitee by the counsel retained by the indemnitor would be inappropriate due to actual or potential differing interests between such indemnitee and any other party represented by such counsel in such proceeding. The failure of indemnitee to deliver written notice to the indemnitor within a reasonable time after indemnitee receives notice of any such claim shall relieve such indemnitor of any liability to the indemnitee under this indemnity only if and to the extent that such failure is prejudicial to its ability to defend such action, and the omission so to deliver written notice to the indemnitor will not relieve it of any liability that it may have to any indemnitee other than under this indemnity. If an indemnitee settles a claim without the prior written consent of the indemnitor, then the indemnitor shall be released from liability with respect to such claim unless the indemnitor has unreasonably withheld such consent.

16.14 Calculation of Time Periods. All references to time are to Pacific Time Zone time ("Pacific Time") unless expressly stated otherwise. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Friday, Saturday, Sunday or legal holiday for national banks in the location where the Properties are located, in which event the period shall run until the end of the next day which is neither a Friday, Saturday, Sunday or legal holiday. The last day of any period of time described herein shall be deemed to end at 6:00 p.m. Pacific Time.

16.15 Limitations. After the Closing, any claim based upon a misrepresentation or a breach of a covenant or warranty under this Agreement shall be actionable or enforceable if and only if: (i) notice of such claim is given to the Party which allegedly made such misrepresentation or breached such covenant, obligation, warranty or agreement within twenty-four (24) months after the Closing Date; and (ii) the amount of damages or losses as a result of such claim suffered or sustained by the party making such claim exceeds Thirty Five Thousand Dollars (\$35,000); and provided further that the aggregate liability of a Transferring Party for any and all such breaches or misrepresentation shall be limited to an amount equal to Ten Percent (10%) of the value of the Transfer Property. This provision shall not apply to any claim under Exhibit F

16.16 Force Majeure. "Force majeure event" shall mean strikes, lockouts, fire or other casualties, material or labor shortages, governmental regulations or controls not in existence as of the Effective Date, weather conditions that are unusual or unexpected for the time of year in question, acts of God (other than weather, which weather events are addressed in the immediately preceding clause) or other similar causes beyond the reasonable control of the Party, or Owner's general contractor, as it relates to the Additional Improvements. With respect to the Additional Improvements, force majeure event shall include delays caused by City (acting as the Acquiring Party), including without limitation, City's failure to timely respond to requests from Owner, City's requests for change orders, and City's failure to timely inspect the Owner Property.

16.17 Exhibits. The following exhibits attached hereto are incorporated herein by reference.

| | |
|-----------|--|
| Exhibit A | Legal Description of Owner Property |
| Exhibit B | Legal Description of City Property |
| Exhibit C | City Property Grant Deed |
| Exhibit D | Owner Property Grant Deed |
| Exhibit E | License Assignment and Assumption Agreement |
| Exhibit F | Additional Improvements |
| Exhibit G | List of Documents to be Provided by Each Owner |
| Exhibit H | General Escrow Provisions |
| Exhibit I | City Leaseback |

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Real Property Exchange Agreement and Joint Escrow Instructions as of the date set forth above.


NOTE: EACH OF SECTIONS 4.3(d); 9.4(b), 9.4(c), 11.1, & 11.3 MUST BE SEPARATELY INITIALED BY THE PARTIES AS INDICATED.

OWNER:

PROLOGIS TARGETED U.S. LOGISTICS
FUND, L.P.
a Delaware limited partnership

By: Prologis, L.P.
a Delaware limited partnership
its general partner

By: Prologis, Inc.
a Maryland corporation
its general partner

By: 
Name: Jason E. Bost
Title: Vice President

ACCEPTED BY ESCROW HOLDER:

First American Title Insurance Company

By: _____
Heather Kucala
Escrow Officer

CITY:

CITY OF CARSON,
a California charter city

By: _____
Albert Robles, Mayor
_____, 2019

ATTEST:

Donesia L. Gause, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Sunny K. Soltani, City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF OWNER PROPERTY

That certain real property located in the City of Carson, County of Los Angeles, State of California described as follows:

PARCELS 1 AND 2 OF PARCEL MAP NO. 15725, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP FILED IN BOOK 168 PAGE 72 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THIS LEGAL DESCRIPTION IS PURSUANT TO NOTICE OF MERGER LOT MERGER NO. 122-00 CERTIFICATE OF COMPLIANCE RECORDED MAY 01, 2000 AS INSTRUMENT NO. 00-0657352 OF OFFICIAL RECORDS.

APN: 7339-013-024

EXHIBIT B

LEGAL DESCRIPTION OF CITY PROPERTY

The real property located in the City of Carson, County of Los Angeles, State of California described as follows:

THAT PORTION OF LOT 1 IN BLOCK "B" OF THE SUBDIVISION OF A PART OF THE RANCHO SAN PEDRO, IN THE CITY OF CARSON, AS PER MAP RECORDED IN BOOK 1 PAGES 601 AND 602 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE UNION METAL MANUFACTURING COMPANY, RECORDED AS INSTRUMENT NO. 2062 ON FEBRUARY 20, 1964 IN BOOK D2376 PAGE 243, OFFICIAL RECORDS; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED SOUTH 17° 09' 36" WEST 1368.44 FEET TO THE SOUTHEASTERLY CORNER THEREOF; THENCE ALONG THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID PARCEL NORTH 89° 56' 20" EAST 313.08 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING EASTERLY NORTH 89° 56' 20" EAST 149.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 377.47 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 50° 51' 25" AN ARC LENGTH OF 335.05 FEET TO THE WESTERLY LINE OF THE LAND DESCRIBED IN THE DECREE OF CONDEMNATION RECORDED IN BOOK 1939 PAGE 114 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG SAID WESTERLY LINE NORTH 17° 08' 40" EAST 1222.17 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SAID LOT 1 AND THE SOUTHERLY LINE OF DOMINGUEZ STREET; THENCE ALONG THE SAID NORTHERLY LINE SOUTH 89° 58' 25" WEST 359.35 FEET; THENCE SOUTH 17° 09' 36" WEST 1352.77 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 315 FEET, A RADIAL TO SAID CURVE BEARS SOUTH 22° 55' 30" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8° 23' 29" AN ARC LENGTH OF 46.13 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL MINERALS, OIL, GAS AND HYDROCARBON SUBSTANCES LYING BELOW 500 FEET OF THE SURFACE OF SAID LAND WITHOUT THE RIGHT OF ENTRY IN, UPON OR OVER THE SURFACE OF SAID LAND OR IN, UPON OR OVER THE PORTION OF SAID LAND LYING WITHIN 500 FEET OF THE SURFACE THEREOF, EXCEPTED IN THE FOLLOWING DEEDS:

DEED FROM HARRY B. WILSON, ET AL. TO SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED APRIL 7, 1952 IN BOOK 38652 PAGE 200 OF OFFICIAL RECORDS, DEEDS FROM SOUTHERN PACIFIC COMPANY TO LACY MANUFACTURING COMPANY, RECORDED DECEMBER 28, 1956 IN BOOK 53223 PAGE 282, RECORDED JANUARY 31, 1958 IN BOOK 56459 PAGE 198, RECORDED DECEMBER 29, 1958 IN BOOK D315 PAGE 989, RECORDED JUNE 15, 1960 IN BOOK D878 PAGE 995, RECORDED DECEMBER 30, 1960 IN BOOK D1079 PAGE 209, AND RECORDED AUGUST 7, 1968 IN BOOK D-1712 PAGE 125, ALL OF OFFICIAL RECORDS.

EXHIBIT C

CITY PROPERTY GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Prologis, L.P.
Attn: Legal Department (MD)
1800 Wazee Street, Suite 500
Denver, CO 80202

APN 7316-026-900
THE UNDERSIGNED GRANTOR DECLARES:
DOCUMENTARY TRANSFER TAX IS \$_____

(Space Above This Line for Recorder's Office Use Only)

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF CARSON, a California charter city as of January 1, 2019 ("**Grantor**"), hereby grants to PROLOGIS TARGETED U.S. LOGISTICS FUND, L.P., a Delaware limited partnership ("**Grantee**"), the real property hereinafter referred to as the "**Property**" in the City of Carson, County of Los Angeles, State of California, as more particularly described in Attachment 1 attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

CITY OF CARSON,
a California charter city,

By: _____
Albert Robles, Mayor

ATTEST:

Donesia L. Gause, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Sunny Soltani, City Attorney

ATTACHMENT 1 TO GRANT DEED

LEGAL DESCRIPTION OF PROPERTY

That certain real property located in the City of Carson, County of Los Angeles, State of California, and is described as follows:

THAT PORTION OF LOT 1 IN BLOCK "B" OF THE SUBDIVISION OF A PART OF THE RANCHO SAN PEDRO, IN THE CITY OF CARSON, AS PER MAP RECORDED IN BOOK 1 PAGES 601 AND 602 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE UNION METAL MANUFACTURING COMPANY, RECORDED AS INSTRUMENT NO. 2062 ON FEBRUARY 20, 1964 IN BOOK D2376 PAGE 243, OFFICIAL RECORDS; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED SOUTH 17° 09' 36" WEST 1368.44 FEET TO THE SOUTHEASTERLY CORNER THEREOF; THENCE ALONG THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID PARCEL NORTH 89° 56' 20" EAST 313.08 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING EASTERLY NORTH 89° 56' 20" EAST 149.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 377.47 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 50° 51' 25" AN ARC LENGTH OF 335.05 FEET TO THE WESTERLY LINE OF THE LAND DESCRIBED IN THE DECREE OF CONDEMNATION RECORDED IN BOOK 1939 PAGE 114 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG SAID WESTERLY LINE NORTH 17° 08' 40" EAST 1222.17 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SAID LOT 1 AND THE SOUTHERLY LINE OF DOMINGUEZ STREET; THENCE ALONG THE SAID NORTHERLY LINE SOUTH 89° 58' 25" WEST 359.35 FEET; THENCE SOUTH 17° 09' 36" WEST 1352.77 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 315 FEET, A RADIAL TO SAID CURVE BEARS SOUTH 22° 55' 30" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8° 23' 29" AN ARC LENGTH OF 46.13 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL MINERALS, OIL, GAS AND HYDROCARBON SUBSTANCES LYING BELOW 500 FEET OF THE SURFACE OF SAID LAND WITHOUT THE RIGHT OF ENTRY IN, UPON OR OVER THE SURFACE OF SAID LAND OR IN, UPON OR OVER THE PORTION OF SAID LAND LYING WITHIN 500 FEET OF THE SURFACE THEREOF, EXCEPTED IN THE FOLLOWING DEEDS:

DEED FROM HARRY B. WILSON, ET AL. TO SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED APRIL 7, 1952 IN BOOK 38652 PAGE 200 OF OFFICIAL RECORDS, DEEDS FROM SOUTHERN PACIFIC COMPANY TO LACY MANUFACTURING COMPANY, RECORDED DECEMBER 28, 1956 IN BOOK 53223 PAGE 282, RECORDED JANUARY 31, 1958 IN BOOK 56459 PAGE 198, RECORDED DECEMBER 29, 1958 IN BOOK D315 PAGE 989, RECORDED JUNE 15, 1960 IN BOOK D878 PAGE 995, RECORDED DECEMBER 30, 1960 IN BOOK D1079 PAGE 209, AND RECORDED AUGUST 7, 1968 IN BOOK D-1712 PAGE 125, ALL OF OFFICIAL RECORDS.

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)
) ss.
COUNTY OF _____)

On _____, 201_ before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) 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.

Notary Public

SEAL:

EXHIBIT D

OWNER PROPERTY GRANT DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Carson
6330 Pine Ave.
Carson, California 90201
City Clerk

APNs 7339-013-024
THE UNDERSIGNED GRANTOR DECLARES:
DOCUMENTARY TRANSFER TAX IS \$0 per R&T Code 11922

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

GRANT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged PROLOGIS TARGETED U.S. LOGISTICS FUND, L.P., a Delaware limited partnership ("**Grantor**"), hereby grants to the _____ ("**Grantee**"), that real property in the City of Carson, County of Los Angeles, State of California, commonly described as set forth on Attachment 1 attached hereto and incorporated herein by reference ("**Property**").

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed on its behalf by its respective officers or agents hereunto as of the date specified below.

"GRANTOR"

Dated: _____, 2019

PROLOGIS TARGETED U.S. LOGISTICS
FUND, L.P., a Delaware limited partnership

By: Prologis, L.P.,
a Delaware limited partnership
its general partner

By: Prologis, Inc.,
a Maryland corporation
its general partner

By: _____
Name: _____
Title: _____

ATTACHMENT 1 TO GRANT DEED

LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of Carson, County of Los Angeles, State of California, legally described as follows:

PARCELS 1 AND 2 OF PARCEL MAP NO. 15725, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP FILED IN BOOK 168 PAGE 72 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THIS LEGAL DESCRIPTION IS PURSUANT TO NOTICE OF MERGER LOT MERGER NO. 122-00 CERTIFICATE OF COMPLIANCE RECORDED MAY 01, 2000 AS INSTRUMENT NO. 00-0657352 OF OFFICIAL RECORDS.

APN: 7339-013-024

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by PROLOGIS, L.P., a Delaware limited partnership ("**Grantor**"), by Grant Deed to the CITY OF CARSON ("**City**"), is hereby accepted by the undersigned officer and agent of City and the City consents to the recording of the Grant Deed.

Signed and dated at _____, California on _____, 201__.

GRANTEE

CITY OF CARSON. a California charter city

By: _____

Its: _____

[MODIFY AS APPROPRIATE IF CARSON RECLAMATION AUTHORITY IS GRANTEE]

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)
) ss.
COUNTY OF _____)

On _____, 201_ before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) 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.

Notary Public

SEAL:

**[ADD NOTARY AT CLOSING FOR PROLOGIS' SIGNATORY
BASED ON LOCATION OF EXECUTION]**

EXHIBIT E

LICENSE ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS LICENSE ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Assignment Agreement**") is dated as of _____, 2019 ("**Assignment Date**"), by and between CITY OF CARSON, a California charter city ("**Assignor**") and PROLOGIS TARGETED U.S. LOGISTICS FUND, L.P., a Delaware limited partnership ("**Assignee**").

RECITALS

A. Assignor is the owner of that certain real property (APN 7316-026-900) located at 2390/2400 E. Dominguez, in the City of Carson, County of Los Angeles, State of California ("**City Property**").

B. On _____, 2019, Assignor and Assignee entered into that certain Real Estate Exchange Agreement and Joint Escrow Instructions pursuant to which Assignee agreed to acquire the Property from Assignor ("**Acquisition Agreement**").

C. The Property is subject to that certain Parking Lot License Agreement dated March 21, 2000 by and between the City and United Warehouse and Distribution Corporation, a California corporation ("**License Agreement**").

D. Assignee wishes to acquire, and Assignor is willing to transfer, Assignor's interest in the License Agreement concurrent with the Assignee's acquisition of the Property from Assignor. Accordingly, this Assignment Agreement shall be effective upon the close of escrow conveying the Property from Assignor to Assignee pursuant to the Acquisition Agreement which date is set forth above as the Assignment Date.

NOW, THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Recitals. All of the foregoing recitals are true and correct and are incorporated herein by reference.

2. Assignment. Assignor hereby assigns, sells, conveys, and otherwise transfers to Assignee all of Assignor's interests, rights, and obligations under the License Agreement arising from and after the Assignment Date. This assignment shall be effective as of the Assignment Date. Assignee's execution hereof confirms that Assignor shall no longer be liable for the performance of any obligations, terms, covenants, or conditions under the License Agreement arising after the Assignment Date and that Assignee hereby agrees to forever release Assignor from the performance of any such obligations, terms, covenants, and conditions under the License Agreement. Assignor shall not be released from the performance of any obligations, terms, covenants or conditions under the License Agreement arising prior to the Assignment Date.

3. Assumption of Obligations and Rights. Assignee hereby accepts all of Assignor's interests, rights, and obligations under the License Agreement arising after the Assignment Date and assumes and agrees to perform all of Assignor's corresponding obligations, terms, covenants, and conditions under the License Agreement accruing from, and after the Assignment Date.

4. Representations, Warranties and Covenants. All Assignor's and Assignee's representations, warranties and covenants set forth in the Acquisition Agreement shall survive the

Closing and are incorporated into this Assignment Agreement.

5. **Due Execution.** The person(s) executing this Assignment Agreement on behalf of the parties hereto warrant that: (i) such party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Assignment Agreement on behalf of said party; (iii) by so executing this Assignment Agreement, such party is formally bound to the provisions of this Assignment Agreement; and (iv) the entering into of this Assignment Agreement does not violate any provision of any other agreement to which said party is bound.

6. **Effect on Assigned License Agreement.** Except for the assignment of Assignor's interests to Assignee in accordance with the provisions of this Assignment Agreement, the parties further agree that nothing in this Assignment Agreement shall be deemed as modifying or otherwise affecting any of the provisions of the License Agreement.

7. **Indemnification.** Assignor agrees to indemnify, defend, and hold harmless Assignee and all persons and entities affiliated with Assignee including their respective officers, agents and employees from and against any and all claims, liabilities, and losses (collectively, "**Claims**") arising out of the License Agreement arising before the Assignment Date, including any Claims arising as a result of any inaccuracies in Assignor's representations and warranties set forth in the Acquisition Agreement and in this Assignment Agreement. Assignee shall indemnify, defend, and hold harmless Assignor and all persons and entities affiliated with Assignor including their respective officers, agents and employees from and against any and all Claims arising out of the License Agreement arising after the Assignment Date, including any Claims arising as a result of any inaccuracies in Assignee's representations and warranties set forth in the Acquisition Agreement and in this Assignment Agreement.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the Assignment Date.

ASSIGNEE:

PROLOGIS TARGETED U.S. LOGISTICS
FUND, L.P.
a Delaware limited partnership

By: Prologis, L.P.
a Delaware limited partnership
its general partner

By: Prologis, Inc.
a Maryland corporation
its general partner

By: _____
Name: _____
Title: _____

ASSIGNOR:

CITY OF CARSON,
a California charter city

By: _____
Albert Robles, Mayor

_____, 2019

ATTEST:

Donesia L. Gause, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Sunny K. Soltani, City Attorney

EXHIBIT F

DESCRIPTION OF ADDITIONAL IMPROVEMENTS

1. **Additional Improvements.** Owner shall construct the improvements which are depicted on Attachment F-1 and described on Attachment F-2 in accordance with the Approved Plans (defined below), and applicable building codes and permits ("**Work**"). The construction will be inclusive of all third party and governmental fees, costs and taxes associated with design, permits, construction, and inspections of the Additional Improvements for City's use. After expiration of the Due Diligence Period and the Parties have agreed to the Approved Plans and Owner has obtained all applicable permits, Owner shall cause the Work to commence and diligently prosecute same to completion pursuant to the Schedule of Performance as defined below utilizing Norm Wilson & Sons, Inc. as the general contractor ("**GC**"). Owner shall confirm that the GC has a general contractor license in the State of California.
2. **Payment for Construction.** Owner shall pay for the construction of the Additional Improvements, subject to (a) the provisions set forth in Section 4.4 of the Agreement, and (b) City's responsibility for Change Orders described in Section 6 of this Exhibit F.
3. **Approved Plans.** The Work shall be constructed pursuant to the construction drawings as mutually approved by Owner and City prepared by MVA Architects ("**Architect**") after the date hereof which shall be consistent with Exhibit F-1 attached hereto and which shall have been approved by both City and Owner prior to Owner's commencement of the Work ("**Approved Plans**").
4. **Monitoring.**
 - 4.1. **City's Rights as Acquiring Party.** City shall have the right to monitor construction of the Additional Improvements to confirm that they are being constructed in accordance with the Approved Plans but not more frequently than bi-weekly (every other week) and not more than two (2) designated City inspectors shall be present at each inspection period. Notwithstanding the foregoing, City's designated inspectors shall have the right to attend Owner's weekly construction meetings. Prior to entering the Owner Property, City shall notify Owner at least one (1) business day prior to inspection; provided that in no event shall City's activities interfere with the construction and further provided that the inspectors shall comply with all safety requirements imposed by Owner during such inspection. Owner shall provide City notice when the following stages of construction have been completed: (i) permit issuance, (ii) framing inspections, and (iii) mechanical, electrical and plumbing inspections. Owner shall provide City with monthly progress reports of construction activities, copies of inspection reports and notes from the architect and other information reasonably requested by City. This right of inspection is in addition to City's standard right of inspection as a governmental agency which City inspectors shall not be subject to any additional requirements imposed in this Agreement.
 - 4.2. **Municipal Inspections.** Nothing herein shall limit or restrict the rights of the City's planning and building department to conduct its routine inspections to confirm compliance with applicable building codes and the permits, which routine inspections shall be conducted in a manner consistent with other similar construction projects within the City.
5. **Schedule of Performance.** Prior to commencement of construction, the Parties shall mutually agree on a schedule of performance for the construction of the Additional Improvements which shall require completion not less than eight (8) months from commencement of the Work ("**Approved Schedule of Performance**"). Owner shall use

commercially reasonable efforts to cause its general contractor, Norm Wilson & Sons, to comply with the Approved Schedule of Performance, subject to extensions due to force majeure events and any Change Orders pursuant to Section 6 below ("**Expected Completion Date**"). If (a) Owner's GC fails to complete the Improvements within four (4) months after the Expected Completion Date (the "**Outside Completion Date**"), and (b) Owner's GC is obligated to pay liquidated damage for such delay, then Owner shall pay City the amount of the liquidated damage paid by GC to Owner for such delays, not to exceed Five Hundred Dollars (\$500.00) per day for the first thirty (30) days of delay beyond the Outside Completion Date, and One Thousand Dollars (\$1,000) per day thereafter until completion, which shall be paid through Escrow at Closing ("**Per Diem Penalty**").

6. **Change Orders.** City may request changes to the Approved Plans from time to time, provided that the total cost of such changes may not exceed \$500,000.00. Prior to implementing the requested change order, Owner shall provide City with an estimate of the additional cost and time delay from the change order ("**Change Order Amount**"). City shall either approve the change order or withdraw it in writing within four (4) business days following receipt of Owner's estimates. The Parties shall amend the Approved Schedule of Performance to include the additional time caused by the Change Order. The Change Order Amount shall be offset against the funds due to City at Closing.
7. **Cooperation Covenant.** The Parties covenant to reasonably cooperate with each other with respect to all aspect of the Additional Work including Change Orders, amendments to the Approved Schedule of Performance, modifications to the Approved Budget, etc.
8. **Compliance with Laws.** Owner shall construct the Additional Improvements in compliance with all applicable laws and regulations including, but not limited to, prevailing wage requirements, applicable permits, etc.
9. **Completion.**
 - 9.1. Upon completion of the Additional Improvements, Owner shall notify City which shall inspect same jointly with Owner within four (4) business days following notice from Owner. Within four (4) business days following said inspection, the Parties shall mutually agree on a punch list of final matters to be completed. Upon Owner's completion of the punch list work, Owner shall notify City which shall inspect same jointly with Owner within four (4) business days following notice from Owner.
 - 9.2. The Additional Improvements shall be deemed completed when Owner has (i) delivered a certificate of substantial completion to City executed by Owner and its architect and general contractor; (ii) a notice of completion (under Civil Code 8412) has been recorded; and (iii) a certificate of occupancy has been issued by City in accordance with its standard process, which City shall issue in a timely manner ("**Completion**"). In the event City delays its issuance of a certificate of occupancy without reasonable justification, Completion shall be evidenced by Owner's satisfaction of items (i) and (ii) above. Following Completion of the Additional Improvements, City shall accept possession of the Owner Property at Closing.
10. **Accounting.** Prior to commencement of construction, Owner shall provide City with a detailed project budget for the Additional Improvements for Four Million One Hundred Ten Thousand Dollars (\$4,110,000) which shall be subject to Owner's written approval ("**Approved Budget**"). Owner shall provide updated copies of the budget and expenses paid on a monthly basis. Prior to Completion, City shall be provided a copy of the final project accounting and proof of payment of all expenses, excluding cost of work completed within the thirty (30) days prior to the Closing and excluding any contingency amounts withheld by Owner pursuant to its contractual rights. Upon City's request, Owner shall provide

reasonable confirming evidence to support the information. Upon thirty (30) days prior written notice, City shall have the right to audit the records regarding the Project.

11. **As-Built Plans.** Within thirty (30) days after Completion, Owner shall provide a copy of the as-built plans to City ("**As-Built Plans**").
12. **ALTA Survey Update.** Upon Completion of the Additional Improvements, Owner shall, at Owner's sole cost and expense, cause the existing ALTA survey to be updated in a form acceptable to the Title Company.
13. **Assignment of Warranties; Subrogation; GC Contract.**
 - 13.1. **Assignment.** To the extent permissible under the applicable contracts, Owner shall assign all contract rights for the Additional Improvements and warranties received by Owner from all contractors, including the GC, consultants and suppliers with respect to the Additional Improvements in a form acceptable to City on a non-exclusive basis.
 - 13.2. **Subrogation.** As of the Close of Escrow, City shall be subrogated to all rights of Owner against its contractors, subcontractors, professionals and material suppliers with respect to the design and construction of the Additional Improvements and shall enforce its rights in a manner that does not diminish or limit Owner's rights against same, . Owner shall execute such documents as reasonably required to effect such subrogation and cooperate with City with respect to City's enforcement of any rights.
 - 13.3. **GC Contract.** Owner shall provide a draft of the GC contract to the City prior to Owner's execution. After the mutual execution of the GC contract ("**GC Contract**"), Owner shall not amend the GC Contract in any manner which waives, reduces or limits any material rights or remedies of Owner against the GC under such GC Contract, without the prior written consent of City. Until Completion, Owner shall diligently monitor and enforce the GC Contract. Following the Closing, Owner shall cooperate with City in connection with City enforcing the Owner's and/or City's rights under the GC Contract. After the Closing, City shall pursue its rights against the GC and all other contractors, subcontractors, professionals and material suppliers and consultants prior to the City pursuing claims against Owner under this Exhibit F.
14. **Survival.** The obligations of Owner under this Exhibit F shall survive Closing.

ATTACHMENT F-1

DEPICTION OF ADDITIONAL IMPROVEMENTS

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BUILDING-A OFFICE FLOOR PLAN

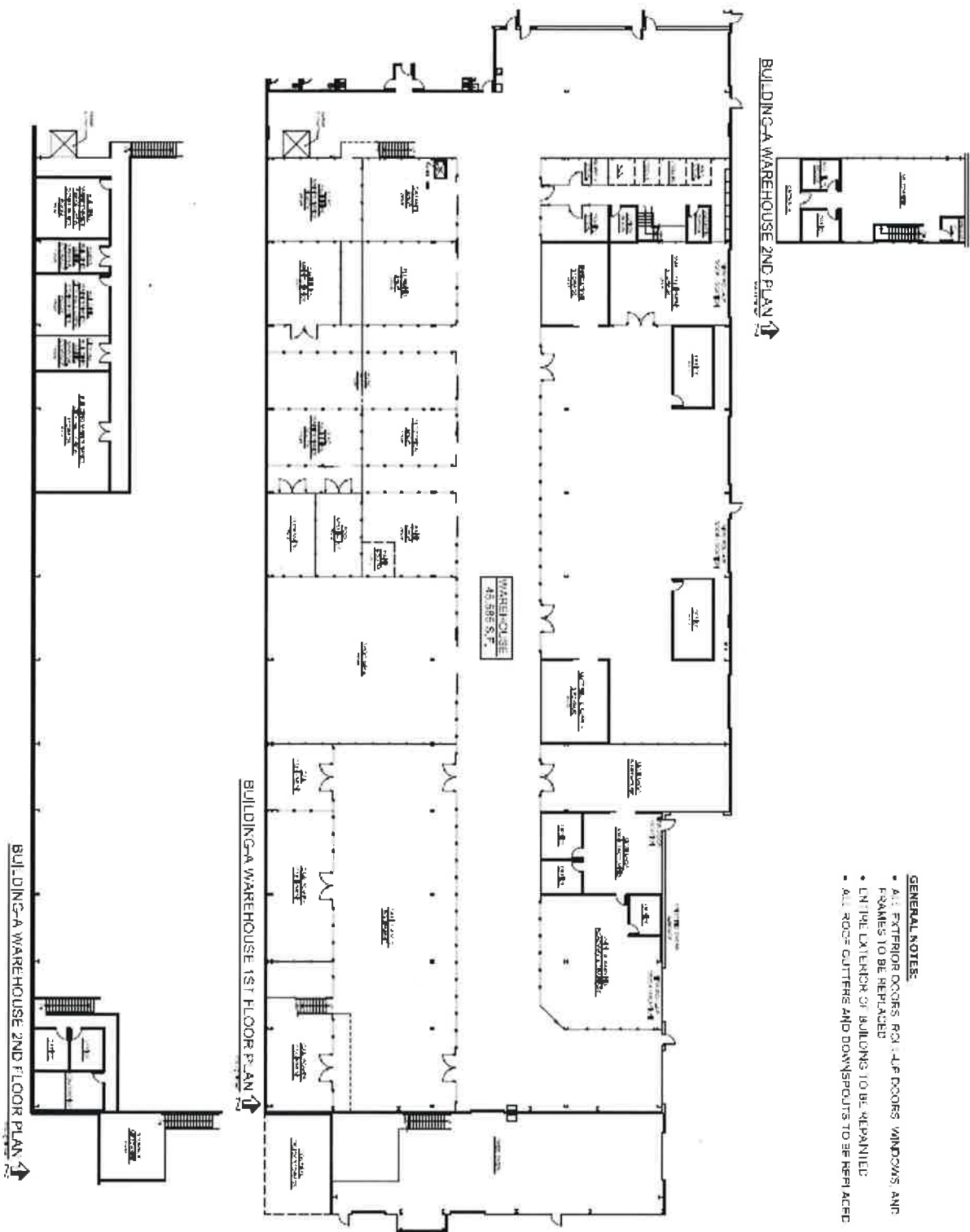
GENERAL NOTES:

- ALL EXTERIOR DOORS, ROLL-UP DOORS, WINDOWS AND FRAMES TO BE REPLACED
- ENTIRE EXTERIOR OF BUILDING TO BE REPAINTED
- ALL ROOF GUTTERS AND DOWNSPOUTS TO BE REPAIRED

PROLOGIS
 18620 S. BROADWAY
 18601 S. MAIN ST.
 CARSON, CA 90248

**18620 S. BROADWAY
 18601 S. MAIN ST.
 CARSON, CA 90248**

PROLOGIS
 18620 S. BROADWAY
 18601 S. MAIN ST.
 CARSON, CA 90248



- GENERAL NOTES:**
- ALL EXTERIOR DOORS, ROLL UP DOORS, WINDOWS AND FRAMES TO BE REPLACED
 - ENTIRE EXTERIOR OF BUILDING TO BE REPAINTED
 - ALL ROOF GUTTERS AND DOWNSPOUTS TO BE REPAIRED

18620 S. BROADWAY
18601 S. MAIN ST.
CARSON, CA. 90248

PROLOGIX

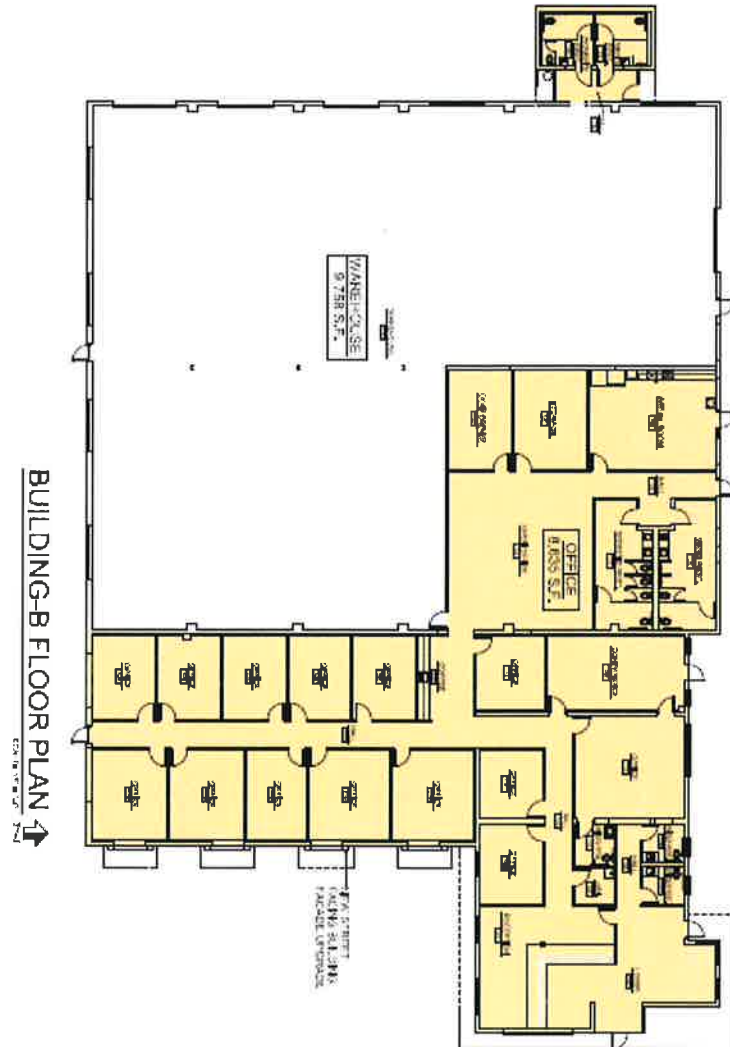
18620 S. BROADWAY
CARSON, CA 90248
TEL: (562) 201-1111
WWW.PROLOGIX.COM

A2

2

EXHIBIT "B"

54

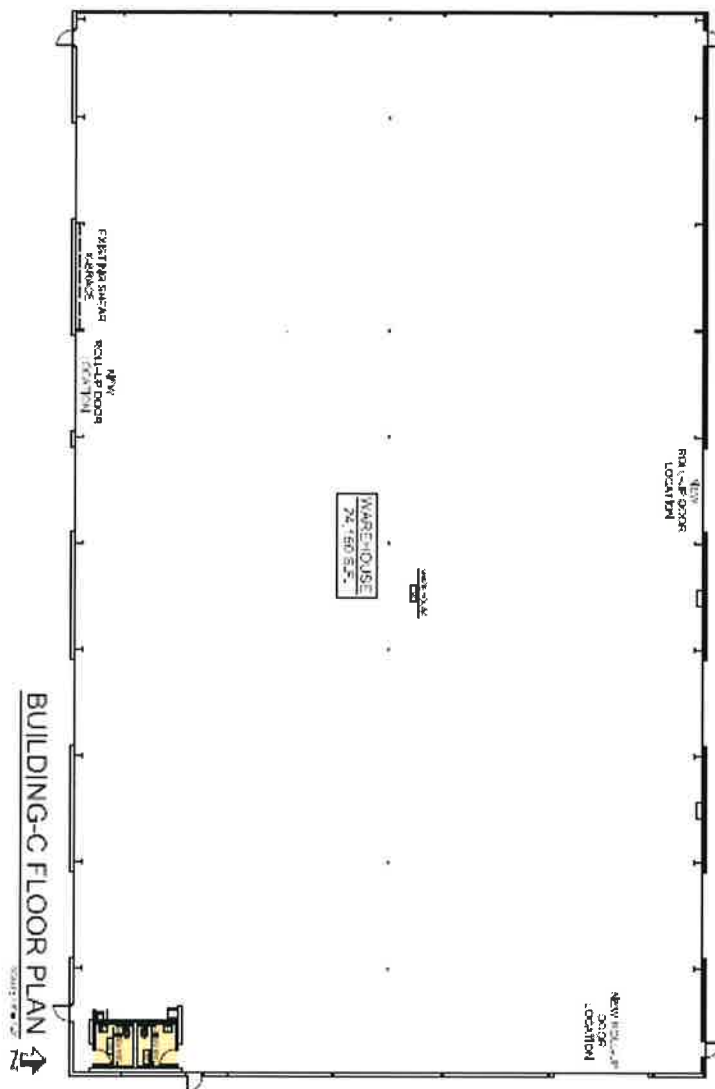


BUILDING-B FLOOR PLAN

SITE AND BUILDING IMPROVEMENTS FOR:
18620 S. BROADWAY
18601 S. MAIN ST.
 CARSON, CA. 90248



- GENERAL NOTES:**
- ALL EXTERIOR DOORS, ROLL-UP DOORS, WINDOWS, AND FRAMES TO BE REPAIRED
 - FINISH EXTERIOR OF BUILDING TO BE REPAIRED
 - ALL ROOF GUTTERS AND DOWNSPOUTS TO BE REPLACED



C1

SITE AND BUILDING IMPROVEMENTS FOR:

18620 S. BROADWAY

18601 S. MAIN ST.

CARSON, CA. 90248

PROLOGIX

18620 S. BROADWAY

18601 S. MAIN ST.

CARSON, CA. 90248

ATTACHMENT F-2

SUMMARY OF ADDITIONAL IMPROVEMENTS

Begins on Following Page



NORM WILSON & SONS, INC.

GENERAL CONTRACTORS

3400 E. Spring St.

Long Beach, CA.

LICENSE #435700

562-634-7933

562-634-6545 Fax

PROLOGIS

17777 Center Court Drive North, Suite 100
Cerritos, CA 90703

10-May-19

REVISED 7A

Attn: Tom Spanley / John Low

Re: 18620 S. Broadway (Preliminary Budget)

REVISED per conference call on Thursday 8/16/18 and e-mail from Tom spanley on 8/22/18

Prevailing wage allowance included

See Alternates discussed at meeting on February 13, 2019

Note: This budget does not represent all items on 3/4/19 space plan from MVA

As per Prologis direction on May 10, 2019 to include line items 12 and 13

| SCOPE OF WORK | TOTAL |
|--|---------------------|
| 1 PARKS AND REC OFFICE (Bulding "B") | \$692,567.00 |
| - Drywall | \$76,090.00 |
| a. Full height warehouse wall 170 l/ft | |
| b. Office walls 576 l/ft | |
| c. Restroom walls 93 l/ft | |
| d. Plumbing walls 19 l/ft | |
| e. Level-4 finish on new drywall | |
| f. Work to be done during regular hours | |
| Note: delete (3) 15-0 x 9-0 office and (3) 17-0 x 11 offices | |
| - Insulation | \$16,110.00 |
| - Doors and Frames | \$26,550.00 |
| a. Supply and install (19) 3' x 8' clear finish birch doors in clear anodized Western Integrated aluminum frames | |
| b. Supply and install (18) 1-6 x 8' clear anodized Western Integrated aluminum window frames | |
| - Acoustical Ceilings | \$27,506.00 |
| a. Approximately 7,474 sq. ft. of new acoustical ceiling area | |
| - Fire Protection | \$21,080.00 |
| - Painting | \$14,988.00 |
| a. Includes three accent colors | |
| - Flooring | \$55,700.00 |
| Note: Pricing to include ceramic tile at office restroom floors | |
| - Electrical | \$141,367.00 |
| a. Demo power to lighting and walls to be removed by others | |
| b. Install (107) 2' x 4' Avante light fixtures (Lithonia) | |

| | |
|--|--------------|
| c. Install (6) 1' x 4' surface mounted light fixtures | |
| d. Install (10) 6" Down light fixtures | |
| e. Install (8) Exit signs | |
| f. Install (11) 90-minute battery packs | |
| g. Install (1) title #24 lighting controls | |
| h. Install (48) 100 Volt outlets | |
| i. Install (1) Dedicated quad outlet (at TBB) | |
| j. Install (1) #6 TBB ground | |
| k. Install (6) Dedicated outlets | |
| l. Install (4) GFI outlets | |
| m. Install (2) Furniture partition power and data (wall mounted) | |
| n. Install (1) GD outlet and switch | |
| o. Install (42) data-phone stubs | |
| p. Install (4) Insta-hot power | |
| q. Install (4) A/C power | |
| r. Install (2) Roof mounted exhaust fan power | |
| s. Install (6) Roof mounted outlets | |
| t. Install (1) Title #24 lighting commissioning and report | |
| u. Based on using existing panels and transformers | |
| v. Includes \$1,500 for new breakers into existing panels | |
| w. Manlift | |
| x. Permit | |
| Excludes: FLSS / Data-phone cable / Floor boxes / | |
| New switchgear / Warehouse lighting / Engineering-plan | |
| check /new meter main / new or relocated telephone cable | |
| - HVAC | \$84,000.00 |
| a. Approximately 25-tons of rooftop carrier heat pump package units with factory economizers as needed | |
| b. All standard factory curbs | |
| c. All internally insulated plenum drops or square to rounds through roof | |
| d. All duct smoke detectors | |
| e. All Venstar T4800 (Wifi Upgradable) thermostats with low voltage wiring | |
| f. (1) 18K BTU Fujitsu mini split ductless system for the IT room | |
| g. (1) Panasonic louvered ceiling mounted and (3) Greenheck roof mounted exhaust fans for restrooms and break room | |
| h. All R4.2 insulated rigid steel spiral ducting with steel fittings for distribution systems | |
| i. All bare rigid steel ducting with steel fittings for exhaust systems | |
| j. All perforated face 4-way louvered t-bar or surface mounted registers with dampers and class 1 flex connections | |
| k. Cal Green Compliance, air balancing with report to be prepared in house | |
| l. Start up testing and labor | |
| - Plumbing | \$123,219.00 |
| - Millwork | \$38,725.00 |
| a. Break Room | |
| - Install 15 lft. Base Cabinets, Top, Upper Cabinets | |

| | | |
|---|--------------|----------------|
| b. Restroom | | |
| - Install (2) 6 l/ft. Plastic Laminate Lavy Top | | |
| c. Work Station | | |
| - Install (7) 15 l/ft. Work Top on Corbels | | |
| d. Restroom | | |
| - Install 3 l/ft. Plastic Laminate Lavy Top | | |
| e. Reception | | |
| - Install 1 l/sf. Reception Desk Allowance | | |
| - Install 23 l/ft. Base Cabinets, Top | | |
| f. Coffee | | |
| - Install 16 l/ft. Base Cabinets, Top, Upper Cabinets | | |
| - Demolition | \$19,268.00 | |
| a. Complete demolition of existing office area | | |
| - Carpentry | \$6,750.00 | |
| a. HVAC platforms and head outs | | |
| - Roofing (Allowance) | \$9,500.00 | |
| - Window coverings | NIC | |
| - Glass | \$2,889.00 | |
| a. Supply and install (18) 2' x 8' pieces of 1/4" clear glass set into frames by others | | |
| - Wainscoat | \$2,950.00 | |
| a. FRP wainscoat at all restroom walls to 4'-0" AFF | | |
| - Toilet Accessories | \$11,230.00 | |
| a. (2) H/C stalls | | |
| b. (4) standard stalls | | |
| c. (2) urinal screens | | |
| d. Required accessories | | |
| - Concrete (Plumbing trench pour back) | \$4,500.00 | |
| - Site protection and final clean up | \$4,645.00 | |
| - Allowance for window coverings | \$5,500.00 | |
| 2 FUELING AND TRUCKWASH AREA | | \$288,000.00 |
| - Allowance for covered above ground fueling station | \$150,000.00 | |
| - Allowance for covered truck wash area with required drain system | \$138,000.00 | |
| 3 PUBLIC WORKS WAREHOUSE | | \$184,620.00 |
| - Allowance to breakout and patch trenching and pits in warehouse | \$84,000.00 | |
| - Degrease, scrub and seal entire warehouse floor (Allowance) | \$40,000.00 | |
| - Construct 1,310 l/ft of 10'-0" high chainlink with (14) man gates | \$60,620.00 | |
| 4 PUBLIC WORKS OFFICE (Building "A") | | \$1,152,315.00 |
| - Drywall | \$127,860.00 | |
| a. Full height warehouse wall 170 l/ft | | |
| b. Office walls 1,122 l/ft | | |
| c. Restroom walls 160 l/ft | | |
| d. Plumbing walls 44 l/ft | | |
| e. Level-4 finish on new drywall | | |
| f. Work to be done during regular hours | | |
| - Insulation | \$22,071.00 | |

| | |
|--|--------------|
| - <i>Doors and Frames</i> | \$50,650.00 |
| a. Supply and install (42) 3' x 8' clear finish birch doors in clear anodized Western Integrated aluminum frames | |
| b. Supply and install 1 ea. 5-0 x 8-0 pair of clear finish birch doors in a clear anodized Western Integrated aluminum frame with ND lock, manual flush bolts, astragal, hinges, and stops | |
| c. Supply and install 24 ea. 1-6 x 8-0 clear anodized Western Integrated aluminum window frames | |
| d. Supply and install 1 ea. 10-0 x 4-0 clear anodized Western Integrated aluminum window frame | |
| e. Supply and install 1 ea. 5-0 x 4-0 clear anodized Western Integrated aluminum cased opening frame | |
| - <i>Acoustical Ceilings</i> | \$44,076.00 |
| a. Furnish and Install approximately 12,339 sq. ft. of new acoustical ceiling area | |
| - <i>Fire Protection</i> | \$42,460.00 |
| - <i>Painting</i> | \$21,755.00 |
| <i>Note: Includes three accent colors</i> | |
| - <i>Flooring</i> | \$84,500.00 |
| <i>Note: Pricing includes ceramic tile in office restrooms</i> | |
| - <i>Electrical</i> | \$233,357.00 |
| a. Install (168) 2' x 4' Avante light fixtures (Lithonia) | |
| b. Install (16) 1' x 4' surface mounted light fixtures | |
| c. Install (12) 6" Down light fixtures | |
| d. Install (11) Exit signs | |
| e. Install (18) 90-minute battery packs | |
| f. Install (1) Title #24 lighting controls | |
| g. Install (81) 100 Volt outlets | |
| h. Install (1) Dedicated quad outlet (at TBB) | |
| i. Install (1) #6 TBB ground | |
| j. Install (17) Dedicated outlets | |
| k. Install (6) GFI outlets | |
| l. Install (2) Furniture partition power and data (power poles) | |
| m. Install (1) GD outlet and switch | |
| n. Install (70) data-phone stubs | |
| o. Install (6) Insta-hot power | |
| p. Install (8) A/C power | |
| q. Install (1) 24-hour A/C power | |
| r. Install (3) Roof mounted exhaust fan power | |
| s. Install (12) Roof mounted outlets | |
| t. Install (1) title #24 lighting commissioning and report | |
| u. Based on using existing panels and transformers | |
| v. Includes \$2,500 for new breakers into existing panels | |
| w. Manlift | |
| x. Permit | |
| Excludes: FLSS / Data-phone cable / Floor boxes / | |
| New switchgear / Warehouse lighting / Engineering-plan check | |
| / new meter main / new or relocated telephone cable | |

| | |
|--|--------------|
| - HVAC | \$126,000.00 |
| a. Approximately 41.5-tons of rooftop carrier heat pump package units with factory economizers as needed | |
| b. All standard factory curbs | |
| c. All internally insulated plenum drops or square to rounds through roof | |
| d. All duct smoke detectors | |
| e. All Venstar T4800 (Wife Upgradable) thermostats with low voltage wiring | |
| f. (1) 18K BTU Fujitsu mini split ductless system for the IT room | |
| g. (1) Panasonic io sone ceiling mounted and (3) Greenheck roof mounted exhaust fans for restrooms and break room | |
| h. All R4.2 insulated rigid steel spiral ducting with steel fittings for distribution systems | |
| i. All bare rigid steel ducting with steel fittings for exhaust systems | |
| j. All perforated face 4-way louvered t-bar or surface mounted registers with dampers and class 1 flex connections | |
| k. Cal Green Compliance air balancing with report to be prepared in house | |
| l. Start up testing and labor | |
| - Plumbing | \$201,736.00 |
| - Millwork | \$64,790.00 |
| a. Private Restroom | |
| - Install 4 1/ft. Color Quartz Lavy Top with Sub-top | |
| - Install 4 1/ft. Plumbing Panel | |
| b. Storage | |
| - Install 55 1/ft. Tall Storage Cabinets | |
| - Install 46 1/ft. Tall Storage Cabinets | |
| c. Work Station | |
| - Install (6) 32 1/ft. Work Top on Corbels | |
| - Install (2) 12 1/ft. Work Top on Corbels | |
| d. Copy Room | |
| - Install 29 1/ft. Base Cabinets, Top, Upper Cabinets | |
| e. Break Room | |
| - Install 24 1/ft. Base Cabinets, Top, Upper Cabinets | |
| f. Restroom | |
| - Install (4) 6 1/ft. Plastic Laminate Lavy Top | |
| - Demolition | \$44,610.00 |
| - Carpentry | \$16,300.00 |
| - Roofing | \$18,500.00 |
| - Window coverings | NIC |
| - Glass | \$5,550.00 |
| a. Supply and install (23) 2' x 8' of 1/4" clear glass set into frames by others | |
| b. Supply and install (1) 9' x 8' pieces of 1/4" clear glass set into frames by others | |
| - Wainscoat | \$5,720.00 |
| a. 4'-0" high FRP wainscoat at all walls of restrooms | |
| - Toilet Accessories | \$22,180.00 |

| | | |
|---|---------------|---------------------|
| a. (4) H/C stalls | | |
| b. (11) regular stalls | | |
| c. (4) urinal screens | | |
| d. Required accessories | | |
| - Concrete (Pour back at plumbing trench) | \$11,500.00 | |
| - Site protection and final clean up | \$5,200.00 | |
| - Allowance for window coverings | \$3,500.00 | |
| 5 ALLOWANCE TO REHAB METAL | | \$292,500.00 |
| BUILDING WITH 18-0 HIGH CLEARSTORY (BUILDING "C") | | |
| - Allowance to REHAB existing metal building as discussed on conference call | \$150,000.00 | |
| - Install new truck doors as per plan | \$42,000.00 | |
| - LED lighting inside building | \$37,500.00 | |
| - Fire sprinklers | \$42,000.00 | |
| - Allowance to construct a 8-0 x 8-0 UNI-SEX restroom | \$21,000.00 | |
| 6 EAST AND WEST PARKING LOTS (INCLUDING DRIVE ISLE) | | \$100,000.00 |
| - All site concrete pour back | By tenant NIC | |
| - Allowance for storm water retention | \$100,000.00 | |
| <i>Note: Pricing based on site to balance (No import or Export)</i> | | |
| ALLOWANCE TO UPGRADE THE FAÇADE AT BOTH BUILDINGS "A" and "B" | | See Alternate #2 |
| 8 WAREHOUSE LIGHTING AT BUILDINGS "A" AND "B" | | \$78,419.00 |
| - LED Lighting at Building "A" | \$62,226.00 | |
| - LED Lighting at Building "B" | \$16,193.00 | |
| 9 ALLOWANCE TO CONSTRUCT NEW TRUCK WELL AT WEST SIDE OF METAL BUILDING | | \$85,500.00 |
| - Required saw cut demolition and excavation | | |
| - Set up and pour concrete | | |
| - Required sump pump | | |
| - Install dock bumpers | | |
| - Handrails | | |
| 10 FENCING AND GATES | | \$53,800.00 |
| - Install 189 l/ft of interior 10-0 high chain link fencing with gate separating east side employee parking | \$17,900.00 | |
| - Install New Chain link gates with motors at both east and west entrances (Allowance only) | \$35,900.00 | |
| <i>Note: Pricing based on (4) gate motors</i> | | |
| 11 EXTERIOR LIGHTING | | \$181,339.00 |
| - Remove all wall packs | | |
| - Install (13) LED wall packs | | |
| - Install (12) two head pole lights | | |
| - Required demolition | | |

| | |
|--|---------------------|
| - Crane to set lights | |
| - Manlifts | |
| - Required concrete for pole bases | |
| 12 (Allowance to add 10-0 x 14-0 roll up doors Buildings "A" and "C") | \$88,629.00 |
| - Allowance to cut in (3) doors in building "A" | \$53,599.00 |
| - Allowance to cut in (3) doors in building "C" | \$35,030.00 |
| <i>Note: Cost to include fees</i> | |
| 13 (Allowance to upgrade exterior restrooms) | \$50,850.00 |
| - Allowance to modify exterior restrooms at exterior as per plans dated 3/4/19 | |
| <i>Note: Cost to include fees</i> | |
| 14 GENERAL CONDITIONS / SITE PROTECTION / FINAL CLEAN-UP | \$81,000.00 |
| 15 PREVAILING WAGE ALLOWANCE | \$440,167.00 |

| | |
|---------------------|-----------------------|
| SUBTOTAL | \$3,769,706.00 |
| OVERHEAD | \$127,058.00 |
| CONTRACTOR FEE | \$112,719.00 |
| LIABILITY INSURANCE | \$25,189.00 |
| TOTAL | \$4,034,672.00 |

| | |
|--|---------------------|
| Alternate #1 | |
| ALLOWANCE TO UPGRADE THE FAÇADE AT BOTH BUILDINGS "A" and "B" | \$329,338.00 |
| - Façade at building "A" (Per space plan) | \$261,538.00 |
| <i>See budget from NWS dated 12/19/19</i> | |
| - Façade at building "B" (Per space plan) | \$67,800.00 |

| | |
|---|---------------------|
| Alternate #2 (Construction of Mezzanines @ buildings "A" and "C") | \$421,995.00 |
| - Allowance to construct 9,140 sq ft of mezzanine along north wall of building "A" | |

| | |
|---|--------------------|
| Alternate #3 (Install a total of (6) showers in building "A") | \$85,728.00 |
| <i>Note #1 Allowance based on required plumbing for (6) pre-fab showers and required fixtures</i> | |
| <i>Note #2 Based on showers being within 20 lft of sewer and water connection</i> | |

- EXCLUSIONS:**
- 1 PLAN CHECK, PERMIT AND ARCHITECTURAL FEES
 - 2 REMOVAL OF HAZARDOUS WASTE
 - 3 ALL WORK ASSOCIATED WITH THE 40 YARD ENCLOSURE

- 4 ALL WORK RELATED TO RELOCATION OF FUELING AND TRUCK WASH AREA
- 5 ALL SITE WORK
- 6 COST ASSOCIATED WITH RELOCATION OF TRUCK WELL
- 7 COVERED PARKING
- 8 RELOCATION OF ALL FENCING AND GATES
- 9 ALL INTERIOR WORK AT BUILDING "C" UNLESS NOTED
- 10 LANDSCAPING
- 11 EV CHARGING STATIONS
- 12 ALL NEW EXTERIOR GLAZING

Respectfully Submitted,
Norm Wilson and sons Inc.



Ron Wilson
Vice President

EXHIBIT G

LIST OF PROPERTY INFORMATION

EACH ACQUIRING PARTY IS TO DELIVER AS PART OF DUE DILIGENCE

CITY:

1. Parking Lot License Agreement.

OWNER:

1. ALTA surveys (for both properties)
2. Environmental Reports (for both properties)

EXHIBIT H

GENERAL ESCROW INSTRUCTIONS

1. **Investment and Use of Funds.** Upon Escrow Holder's receipt of the its applicable tax and related documents for establishing an account, Escrow Holder shall invest the Deposit ("**Deposited Funds**") in government insured interest-bearing accounts satisfactory to Owner at an institution having assets of not less than \$125,000,000, shall not commingle the Deposited Funds with any funds of Escrow Holder or others and shall promptly provide Owner and City with confirmation of the investments made. All interest or investment income shall be attributable to Owner for tax purposes and the funds added to the Deposited Funds. If the Closing under this Agreement occurs, Escrow Holder shall deliver the Deposited Funds pursuant to this Agreement.

2. **Terminations.** Upon a termination of this Agreement,, either party to this Agreement ("**Terminating Party**") may notify Escrow Holder and the other party ("**Non-Terminating Party**") of such termination and the reason for such termination. Such request shall also constitute a request for the release of the Deposited Funds to the applicable Party as described in the Agreement as specified in Sections 4.3(f). 9.4(b) and 9.4(c). The Parties shall execute documents as reasonably required by Escrow Holder for the release of funds under the Agreement.

3. **Interpleader.** Except as provided in Section 2 above, Owner and City mutually agree that in the event of any controversy regarding the Deposited Funds, unless mutual written instructions are received by Escrow Holder directing the disposition of the Deposited Funds, Escrow Holder shall not take any action, but instead shall await the disposition of any proceeding relating to the Deposited Funds or, at Escrow Holder's option, Escrow Holder may interplead all parties and deposit the Deposited Funds with a court of competent jurisdiction in which event Escrow Holder may recover all of its court costs and reasonable attorneys' fees. Owner or City, whichever loses in any such interpleader action, shall be solely obligated to pay such costs and fees of Escrow Holder, as well as the reasonable attorneys' fees of the prevailing party in accordance with the other provisions of this Agreement.

4. **Reporting Person Responsibilities.** The "**Reporting Person**" within the meaning of Section 1.6045-4(e)(5) of the Regulations ("**Regulations**") of the Code with respect to the transactions contemplated by this Agreement shall be Escrow Holder. It is agreed that Escrow Holder is an eligible person under Section 1.6045-4(e)(5)(ii) of the Regulations. Escrow Holder hereby agrees to be responsible for complying with the reporting and other requirements of Section 6045(e) of the Code. Pursuant to the Regulations, the address for the transferor and transferee are as set forth for Owner and City in this Agreement, and the identifying information regarding the real estate transferred is the legal description for the Property set forth in this Agreement. Escrow Holder agrees to file the form required by the Regulations between the end of the calendar year in which the Closing Date occurs and February 28 of the following calendar year. Owner and City agree to cooperate with Escrow Holder and with each other in completing any report and/or other information required to be delivered to the Internal Revenue Service pursuant to Section 6045(e) of the Code regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-S as such may be hereafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any Regulation now or hereafter promulgated by the Treasury Department with respect thereto.

5. **Liability of Escrow Holder.** The Parties acknowledge that Escrow Holder is acting solely as a stakeholder at their request and for their convenience, that Escrow Holder shall not be deemed to be the agent of either Party, and that Escrow Holder shall not be liable to either Party for any action or omission on its part taken or made in good faith, and not in disregard of this Agreement, but shall be liable for its negligent acts and for any loss, cost or expense incurred by Owner or City resulting from Escrow Holder's mistake of law respecting Escrow Holder's scope or nature of its duties. Owner and City shall jointly and severally indemnify and hold Escrow Holder harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrow Holder's duties hereunder, except with respect to actions or omissions taken or made by Escrow Holder in bad faith, in disregard of this Agreement or involving negligence on the part of Escrow Holder.

EXHIBIT I
CITY LEASEBACK

[Begins on following page]

PROLOGIS NET LEASE

THIS LEASE AGREEMENT is made between Landlord and Tenant as of the Effective Date below.

1. General Defined Terms.

- a) **Effective Date:** _____, 2019 (Date of Closing to be added by Escrow Holder)
- b) **Landlord:** Prologis Targeted U.S. Logistics Fund, L.P., a Delaware limited partnership
- c) **Landlord Notice Address:** Prologis 17777 Center Court Drive N., Suite 100 Cerritos, CA 90703-9323 Attn: Market Officer
 With copy to: Prologis 1800 Wazee Street Suite 500 Denver, CO 80202 Attn: General Counsel
- d) **Tenant:** City of Carson, a California charter city
- e) **Tenant Notice Address:** 701 E. Carson Street Carson, CA 90745 Attention: David Roberts, Assistant City Manager
 With copy to: Aleshire & Wynder, LLP 18881 Von Karman Avenue, Suite 1700 Irvine, CA 92612 Attention: Sunny Soltani, Esq.
- f) **Premises:** That real property containing approximately 10.48 acres as legally described on Exhibit A (APN 7316-026-900).
- g) **Building:** Consisting of any improvements which may be located at: 2390-2400 E. Dominguez City of Carson, CA
- h) **Project:** The Premises, together with associated real property and improvements.
- i) **Tenant's Proportionate Share of the Building:** 100%
- j) **Tenant's Proportionate Share of the Project:** 100%
- k) **Lease Term:** Beginning on the Commencement Date and ending 30 days following the Commencement Date ("Expiration Date").
- l) **Commencement Date:** _____, 2019 (To be completed by Escrow Holder)
- m) **Monthly Base Rent:**
- | Commencement Date | Period through | Expiration Date | Monthly Base Rent |
|-------------------|----------------|-----------------|-------------------|
| | | | \$0.00 |
- n) **Initial Estimated Monthly Operating Expenses:** Tenant shall not be required to pay any Operating Expenses through the Expiration Date.
- | | |
|-----------------------|---------------|
| Common Area Expenses: | \$0.00 |
| Taxes: | \$0.00 |
| Insurance: | \$0.00 |
| Management Fee: | \$0.00 |
| Capital | \$0.00 |
| Repairs/Replacements: | |
| Total: | \$0.00 |
- o) **Security Deposit:** None.
- p) **Landlord Broker:** None.
- q) **Tenant Broker:** None.
- r) **Exhibits:** Exhibit A. Legal Description of Premises

2. **Granting Clause.** In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises, to have and to hold for the Lease Term, subject to the terms, covenants and conditions of this Lease.

3. **Acceptance of Premises.** Landlord and Tenant acknowledge that immediately prior to the Commencement Date, Tenant occupied the Project, and accordingly Tenant shall accept the Premises in its AS-IS condition as of the Commencement Date, subject to all applicable laws, ordinances, regulations, covenants and restrictions. Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's

business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. Tenant acknowledges and agrees that Landlord shall have absolutely no duty to maintain or repair the Premises or the Project, in no event shall Landlord have any obligation for any defects in the Premises or any limitation on its use.

4. **Use.** Provided that Tenant complies with the terms of this Lease, including, without limitation, this Paragraph 4, it is contemplated that Tenant will continue to use the Premises in the same manner that Tenant used them before Landlord purchased them from Tenant but with the understanding that the sole purpose of this Lease is to allow Tenant to vacate the Premises and remove its trade fixtures including shelves, racking, bins, machinery and other trade fixtures ("Trade Fixtures"). Tenant shall not conduct any auction, liquidation, or going out of business sale on the Premises. Tenant will use the Premises, Building, and Project in a safe manner and will not commit waste. Tenant's use may include outside storage, provided that Tenant shall keep the area and items in such outside storage area: (a) in compliance with Legal Requirements; and (b) tidy and free of debris. Tenant, at its sole expense, shall use the Premises in compliance with all federal, state, local, and municipal laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to Tenant's use, activities or alterations at the Premises (collectively, "Legal Requirements"). The Premises shall not be used as a place of public accommodation under the Americans With Disabilities Act or similar state statutes or local ordinances or any regulations promulgated thereunder, all as may be amended from time to time. Any alterations or modifications made during the Lease Term in order to comply with the Legal Requirements shall be at Tenant's sole cost and expense.
5. **Base Rent.** All payments required to be made by Tenant to Landlord hereunder – if any – (or to such other party or at such location as Landlord may from time to time specify in writing) shall be made by Electronic Fund Transfer ("EFT") or Automated Clearing House ("ACH"). Any obligation of Tenant to pay sums to Landlord and any obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any amounts due and payable hereunder except as may be expressly provided in this Lease. If Tenant is delinquent in any amount due and payable herein for more than 5 days, in addition to all of Landlord's other rights and remedies (and not as a penalty), Tenant shall pay to Landlord on demand a late charge equal to eight percent (8%) of such delinquent sum.
6. **Operating Expenses.** [Intentionally omitted]
7. **Security Deposit.** [Intentionally omitted]
8. **Utilities.** Tenant shall pay directly for all public and private utilities including, but not limited to, water, gas, electricity, telephone, sewer, refuse and trash collection, and other utilities and services used on the Premises, along with any taxes, penalties, or surcharges with respect thereto. Interruptions or failures of utilities shall not result in a default by Landlord under this Lease, or the termination of this Lease, or the abatement of rent. Upon termination of this Lease, Tenant shall cause all utilities in its name to be terminated.
9. **Taxes.** Landlord shall pay all taxes, assessments and governmental charges, along with fees payable to tax consultants and attorneys for consultation and contesting taxes (collectively referred to as "Taxes") that accrue against the Building or Project during the Lease Term. Landlord may contest the amount, validity, or application of any Taxes or liens thereof. If any such tax or excise is levied or assessed directly against Tenant, or the Premises, or results from any Tenant-Made Alterations (defined below), then Tenant shall pay such tax or excise as required by the taxing authority. Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises by Tenant even if levied or assessed against the Landlord.
10. **Insurance.** Landlord may, but is not obligated to, maintain such insurance, at coverage levels at Landlord's sole election (in which case Landlord shall be the sole beneficiary of any such insurance that it carries, subject to any express obligations of Landlord under this Lease). Other than the use permitted pursuant to Paragraph 4, Tenant will not use the Premises in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any insurance credits.

Tenant, at its sole expense, shall maintain during the Lease Term the following insurance: (1) commercial general liability insurance, on an occurrence basis, covering Tenant, and its activities at the Project, having a minimum limit of \$2,000,000 per occurrence (which requirement may be satisfied by a combination of primary and excess policy limits); (2) all risk property insurance covering the full replacement cost of Tenant's property and improvements; (3) workers' compensation insurance as required by the applicable state statute (or equivalent coverage reasonably acceptable to Landlord in the event there is no such statutory requirement) which shall include a waiver of subrogation in favor of Landlord, Prologis, Inc., its affiliates, and property manager (Landlord and such parties are collectively referred to herein as the "Landlord Parties"); (4) employers liability insurance of at least \$1,000,000, and (5) business automobile liability insurance having a combined single limit of not less than \$2,000,000 per occurrence which can be satisfied by a combination of primary and excess policy limits insuring Tenant against liability arising out of the ownership maintenance or use of any owned, hired or non-owned automobiles. Tenant's insurance companies shall have an A.M. Best rating of not less than A-VIII and provide primary and non-contributory coverage to the Landlord Parties (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). All commercial general liability

policies shall name the Landlord Parties as additional insureds. The limits and types of insurance maintained by Tenant shall not limit Tenant's liability under this Lease. Tenant shall provide Landlord with certificates of such insurance in forms reasonably acceptable to Landlord as required under this Lease upon the Commencement Date, and thereafter at least 15 days prior to the expiration of the insurance coverage, and 15 days following Tenant's receipt of Landlord's request for such certificates. Acceptance by Landlord of delivery of any certificates of insurance does not constitute approval or agreement by Landlord that the insurance requirements of this section have been met. In the event any of the insurance policies required to be carried by Tenant under this Lease shall be cancelled prior to the expiration date of such policy, or if Tenant receives notice of any cancellation of such insurance policies from the insurer prior to the expiration date of such policy, Tenant shall promptly replace such insurance policy in order to assure no lapse of coverage shall occur.

The all risk property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, their officers, directors, employees, managers, agents, invitees and contractors, in connection with any insured loss or damage. Neither party, nor its officers, directors, employees, managers, agents, invitees or contractors, shall be liable to the other for loss or damage caused by any risk coverable by all risk property insurance, and each party waives any claims against the other party, and its officers, directors, employees, managers, agents, invitees and contractors for such loss or damage. The failure of a party to insure its property shall not void this waiver. Neither party, nor its officers, directors, employees, managers, agents, or contractors, shall be liable to the other for any business interruption loss incurred, and each party waives any claims against the other party, and its officers, directors, employees, managers, agents, and contractors for such business interruption loss from any cause whatsoever, including, but not limited to damage caused in whole or in part, directly or indirectly, by the negligent acts of the other party at the Premises or the Project.

11. **Landlord's Repairs and Maintenance.** Landlord shall not be required to repair, maintain or replace any portion of the Premises or Project for any reason including, without limitation, in order to ensure Legal Compliance. Any risk of any defect or deficiency in the Premises, or any portion thereof, of any nature, whether patent or latent, as between Landlord and Tenant, is to be borne by Tenant.

12. **Tenant's Repairs.** Subject to Tenant's right to remove the Trade Fixtures, Tenant shall maintain and repair in a safe condition, the parking areas and other common areas of the Building, including, but not limited to driveways, alleys, landscape and grounds surrounding the Premises. Tenant, at its expense, shall maintain the Premises in a safe condition and in compliance with Legal Requirements, all portions of the Building and Premises and all areas, improvements and systems exclusively serving the Premises, failing which Landlord may perform such work and be reimbursed by Tenant within 10 days after demand therefor. Subject to Paragraph 10, Tenant shall bear the full cost of any repairs that are required to remedy any unsafe condition caused by Tenant, its agents, contractors, or invitees, or Tenant's failure to maintain the Premises in accordance with this Lease.

Notwithstanding the foregoing, Tenant shall not be required to return the Premises at the expiration or sooner termination of the Lease in a condition that is better than the condition in which it was received although Tenant shall have the right to remove its Trade Fixtures. Landlord shall have no obligation to repair, modify, alter, add to, maintain, or replace the Premises or any portion thereof, as may be needed by Tenant in connection with Tenant's business whether structural or nonstructural, foreseen or unforeseen, all of which are intended to be the obligations of Tenant under this Agreement. Tenant waives to the extent permitted by applicable law the benefit of any law now or hereafter in effect that would otherwise afford Tenant the right to make repairs or replacements at Landlord's expense or to terminate this Lease on account of the failure of Landlord to make a repair or replacement.

13. **Tenant-Made Alterations and Trade Fixtures.** Any alterations, additions, or improvements made by, or on behalf of, Tenant to the Premises ("Tenant-Made Alterations") shall be subject to Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion; provided that Landlord hereby consents to those Tenant-Made Alterations that exist as of the Commencement Date. Upon surrender of the Premises, all Tenant-Made Alterations and any leasehold improvements constructed by Landlord or Tenant shall remain on the Premises as Landlord's property, except that Tenant shall have the right to remove the Trade Fixtures at Tenant's expense. Tenant shall leave the Premises in a safe condition upon surrender of the Premises.
14. **Signs.** Tenant shall not install any new decorations, flags, pennants, banners, window or door lettering, placards, advertising media, lights or signs to the exterior of the Building without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. However, notwithstanding the foregoing, Tenant may install temporary signs related to the relocation of the city yard without Landlord's consent. Prior to the surrender or vacation of the Premises, Tenant shall, at its sole cost and expense, remove all signs from the Premises. Tenant shall obtain all applicable governmental permits and approvals for any sign.
15. **Parking.** Tenant may park operable vehicles in those areas of the Project designated for parking and to park moving trucks and vehicles to accommodate the relocation of Tenant's operations to a new site. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties. Tenant shall have the right to

park operable vehicles and trailers overnight at the truck loading docks and designated truck and trailer parking areas for the Premises.

16. **Restoration.** If at any time during the Lease Term the Premises are damaged by a fire or other casualty, this Lease will terminate at the end of the calendar month in which the casualty occurred. Notwithstanding such termination, with respect to any damage to the Premises attributable to the negligence of Tenant or Tenant Parties, Tenant shall pay Landlord's deductible with respect to its insurance policy, not to exceed Twenty-Five Thousand Dollars (\$25,000), no later than thirty (30) days following receipt of an invoice for such amount.
17. **Condemnation.** If any part of the Premises or the Project should be taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by Landlord this Lease shall terminate and Base Rent shall be apportioned as of said date. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award.
18. **Assignment and Subletting.** Tenant shall not assign this Lease or sublease the Premises or any part thereof, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion, and any attempt to do any of the foregoing without Landlord's consent shall be void and of no effect. This Lease shall be binding upon Tenant and its successors and permitted assigns. Upon Landlord's receipt of Tenant's written notice of a desire to assign or sublet the Premises, or any part thereof (other than to a Tenant Affiliate), Landlord may, by giving written notice to Tenant within 5 days after receipt of Tenant's notice, terminate this Lease.

Notwithstanding any assignment or subletting, Tenant shall remain liable under this Lease, and compliance with all of Tenant's obligations under this Lease (regardless of whether Landlord's approval has been obtained for any such assignments or sublettings).
19. **Indemnification.** Except for the negligence of the Landlord Parties, their agents, employees or contractors, Tenant agrees to indemnify, defend and hold harmless the Landlord Parties from and against all losses, liabilities, damages, costs and expenses (including attorneys' fees) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Project and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or due to any other act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. The furnishing of insurance required hereunder shall not be deemed to limit Tenant's obligations under this Paragraph.
20. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time, to inspect the Premises, for any business purpose, and to show the Premises to prospective tenants. Landlord may erect a suitable sign on the Premises stating the Premises are available to lease or that the Project is available for sale. Landlord may grant easements, make public dedications, designate and modify common areas and create restrictions affecting the Project, provided that no such easement, dedication, designation, modification or restriction materially interferes with Tenant's use or occupancy of the Premises. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions.
21. **Quiet Enjoyment.** For so long as there is no Event of Default, Tenant shall, subject to the terms of this Lease have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.
22. **Surrender.** Upon termination of the Lease Term or earlier termination of Tenant's right of possession, Tenant shall, subject to its right to remove Trade Fixtures, surrender the Premises to Landlord in a safe condition. Any Trade Fixtures, Tenant-Made Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property. All outstanding Tenant obligations hereunder shall survive the termination of the Lease Term, including without limitation, indemnity obligations, payment obligations, and all obligations concerning the condition and repair of the Premises.
23. **Holding Over.** If Tenant retains possession of the Premises after the Expiration Date, such possession shall be subject to immediate termination by Landlord, and all terms of this Lease shall be applicable during such holdover period (excluding any expansion or renewal option or other similar right or option), except that Tenant shall pay Landlord upon demand, as Base Rent for the holdover period, an amount equal to One Dollar and Fifty Cents (\$1.50) per square foot of Premises, computed on a monthly basis for each month or part thereof during such holding over. All other payments payable under this Lease shall continue under the terms of this Lease. In addition, Tenant shall be liable for all damages incurred by Landlord as a result of such holding over. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Paragraph shall not be construed as consent for Tenant to retain possession of the Premises. For purposes of this Paragraph, "possession of the Premises" shall continue

until, among other things, Tenant has delivered all keys to the Premises to Landlord, Landlord has complete control over the Premises, and Tenant has completely fulfilled all obligations required of it upon termination of the Lease, including, without limitation, those concerning the condition and repair of the Premises.

24. Events of Default. Each of the following events shall be an event of default ("Event of Default") by Tenant under this Lease:

- a) Tenant shall fail to make any payment required herein when due, and such failure shall continue for a period of 5 days from the date such payment was due.
- b) Tenant or any guarantor or surety of Tenant's obligations hereunder shall (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "proceeding for relief"); (C) become the subject of any proceeding for relief which is not dismissed within 60 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).
- c) Any insurance required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Lease or Tenant fails to timely deliver to Landlord any certificate of insurance as required under Paragraph 10 of the Lease.
- d) Tenant shall vacate the Premises and fail to make arrangements reasonably acceptable to Landlord to ensure that (a) Tenant's insurance for the Premises will not be voided or cancelled, (b) the Premises are secured and not subject to vandalism, and (c) and maintaining the utility services.
- e) Tenant shall assign, sublease or transfer Tenant's interest in this Lease except as permitted in this Lease.
- f) Tenant shall fail to discharge any lien placed upon the Premises or Building in violation of this Lease within 20 days after any such lien or encumbrance is filed against the Premises.
- g) Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Paragraph, and such default shall continue for more than 30 days after Landlord has given Tenant written notice of such default except as otherwise provided herein (said notice being in lieu of, and not in addition to, any notice required as a prerequisite to a forcible entry and detainer or similar action for possession of the Premises).

Tenant agrees that any notice given by Landlord pursuant to this Paragraph of the Lease shall satisfy the requirements for notice under California Code of Civil Procedure Section 1161, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

25. Landlord's Remedies. Upon each occurrence of an Event of Default and so long as such Event of Default shall be continuing beyond the notice and cure rights set forth in Paragraph 24, Landlord may at any time elect to: (a) terminate this Lease or Tenant's right of possession, (but Tenant shall remain liable as hereinafter provided), and/or (b) pursue any other remedies at law or in equity. Upon the termination of this Lease or termination of Tenant's right of possession, it shall be lawful for Landlord, without formal demand or notice of any kind, to re-enter the Premises by summary dispossession proceedings or any other action or proceeding authorized by law and to remove Tenant and all persons and property therefrom. If Landlord re-enters the Premises, Landlord shall have the right to keep in place and use, or remove and store, all property at the Premises.

Except as otherwise provided in the next paragraph, if Tenant breaches this Lease and abandoned the Premises prior to the end of the term hereof, or if Tenant's right to possession is terminated by Landlord because of an Event of Default by Tenant under this Lease, this Lease shall terminate. Upon such termination, Landlord may recover from Tenant the following, as provided in Section 1951.2 of the Civil Code of California: (i) the worth at the time of award of the unpaid Base Rent, Operating Expenses, and other charges under this Lease that had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the reasonable value of the unpaid Base Rent, Operating Expenses, and other charges under this Lease which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of award by which the reasonable value of the unpaid Base Rent, Operating Expenses, and other charges under this Lease for the balance of the term of this Lease after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom. As used herein, the following terms are defined: (a) The "worth at the time of award" of the amounts referred to in Sections (i) and (ii) is computed by allowing interest at the lesser of 18 percent per annum or the maximum lawful rate. The "worth at the time of award" of the amount referred to in Section (iii) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent; (b) The "time of award" as used in clauses (i), (ii), and (iii) above is the date on which judgment is entered by a court of competent jurisdiction; (c) The "reasonable

value" of the amount referred to in clause (ii) above is computed by determining the mathematical product of (1) the "reasonable annual rental value" (as defined herein) and (2) the number of years, including fractional parts thereof, between the date of termination and the time of award. The "reasonable value" of the amount referred to in clause (iii) is computed by determining the mathematical product of (1) the annual Base Rent, Operating Expenses, and other charges under this Lease and (2) the number of years including fractional parts thereof remaining in the balance of the term of this Lease after the time of award. Tenant acknowledges and agrees that the term "detriment proximately caused by Tenant's failure to perform its obligations under this Lease" includes, without limitation, the value of any abated or free rent given to Tenant.

Even though Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover rent as it becomes due. This remedy is intended to be the remedy described in California Civil Code Section 1951.4, and the following provision from such Civil Code Section is hereby repeated: "The Lessor has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign subject only to reasonable limitations)." Any such payments due Landlord shall be made upon demand and Tenant agrees that Landlord may file suit to recover any sums as they become due. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect in writing to terminate this Lease for such previous breach.

Landlord's exercise of any remedies shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord except by written agreement of Landlord and Tenant. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance the terms hereof shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same. Tenant and Landlord further agree that forbearance or waiver by Landlord to enforce its rights pursuant to this Lease or at law or in equity, shall not be a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent Event of Default. Receipt by Landlord of rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. To the greatest extent permitted by law, Tenant waives all right of redemption in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge. The terms "enter," "re-enter," "entry" or "re-entry," as used in this Lease, are not restricted to their technical legal meanings.

26. Tenant's Remedies/Limitation of Liability. Landlord shall not be in default unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). All obligations of Landlord shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder. All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "Landlord" in this Lease shall mean only the then current owner of the Premises, and in the event of a transfer of the Premises, such owner shall be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership. Any liability of Landlord under this Lease shall be limited solely to its interest in the Building, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord.

27. Subordination. Without the necessity of any further instrument or act of Tenant, this Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any existing or future first mortgage on the Building, and all amendments, modifications, assignments and extensions thereof.

28. Mechanic's Liens. Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of Landlord or Tenant in, the Premises or this Lease. Tenant covenants and agrees that it will save and hold Landlord harmless from all loss, cost or expense based on or arising out of claims or liens asserted against the leasehold estate, the interest of Landlord in the Premises, or under this Lease. Tenant shall give Landlord immediate written notice of any lien or encumbrance placed against the Premises and cause such lien or encumbrance to be discharged, or bonded over in a manner satisfactory to Landlord, within 20 days of the filing or recording thereof.

29. Estoppel Certificates. (Intentionally omitted)

30. Environmental Requirements. Except for Hazardous Materials contained in products used by Tenant's ordinary course of business in de minimis quantities for ordinary cleaning and office purposes, propane used in Tenant's forklifts in the normal course of its business, and contained in products stored and/or distributed during Tenant's normal course of business in their original, sealed, and unopened containers, Tenant shall not permit

or cause any party to bring any Hazardous Material upon the Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in strict compliance with all Environmental Requirements and shall remediate in a manner satisfactory to Landlord any Hazardous Materials released on or from the Project by Tenant, its agents, employees, contractors, subtenants or invitees ("Tenant Parties"). Tenant shall complete and certify disclosure statements requested by Landlord relating to Tenant's transportation, storage, use, generation, manufacture or release of Hazardous Materials on the Premises. The term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by Tenant, its agents, employees, contractors or invitees, and the wastes, by-products, or residues generated, resulting, or produced therefrom. No cure or grace period provided in this Lease shall apply to Tenant's obligations to promptly commence and diligently pursue its remediation obligations in accordance with the terms and conditions of this Paragraph.

Notwithstanding anything to the contrary in this Paragraph, Tenant shall have no liability of any kind to Landlord as to Hazardous Materials on the Premises caused or permitted by Landlord, its agents, employees, contractors or invitees.

Tenant shall indemnify, defend, and hold the Landlord Parties harmless from and against any and all losses (including, without limitation, diminution in value of the Premises or the Project and loss of rental income from the Project), claims, demands, actions, suits, damages (including, without limitation, punitive damages), expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any asbestos brought into the property or disturbed in breach of the requirements of this Paragraph, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Materials by Tenant, its agents, employees, contractors, subtenants or invitees or any other breach of the requirements under this Paragraph by Tenant, or Tenant Parties, regardless of whether Tenant had knowledge of such noncompliance. The obligations of Tenant under this Paragraph shall survive any termination of this Lease.

Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this Paragraph, or the environmental condition of the Premises. Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests if such inspections or tests reveal that Tenant has not complied with any Environmental Requirement. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant.

31. **Rules and Regulations.** [Intentionally omitted]
32. **Security Service.** Tenant acknowledges and agrees that Landlord is not providing any security services and that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises.
33. **Force Majeure.** Except for monetary obligations, neither Landlord nor Tenant shall be responsible for delays in the performance of its obligations hereunder caused by labor disputes, acts of God, inability to obtain labor or materials, governmental restrictions or regulations or delay in issuance of permits, enemy or hostile governmental action, civil commotion, casualty, and other causes beyond the reasonable control of Landlord or Tenant, as the case may be ("Force Majeure").
34. **Entire Agreement.** This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof. Any prior agreements, promises, negotiations, or representations are superseded by this Lease. This Lease may only be amended by an instrument in writing signed by both parties hereto.
35. **Severability.** If any clause of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that such clause be replaced with a valid clause of similar meaning and that the remainder of this Lease shall not be affected thereby.

36. **Brokers.** Each party represents and warrants to the other that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, other than the Landlord Broker and Tenant Broker, if any, set forth in Paragraph 1 of this Lease, and each party agrees to indemnify and hold the other harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with the indemnifying party with regard to this leasing transaction.

37. **Miscellaneous**

a) **TIME IS OF THE ESSENCE AS TO THE PERFORMANCE OF TENANT'S AND LANDLORD'S OBLIGATIONS UNDER THIS LEASE.**

b) Any payments or charges due from Tenant to Landlord hereunder shall be considered rent for all purposes of this Lease.

c) [intentionally omitted]

d) All notices required or permitted to be given under this Lease shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable national overnight courier service, postage prepaid, or by hand delivery addressed to Landlord or Tenant at the applicable notice address as provided in Paragraph 1 of this Lease. Either party may, by the above notice, change its notice address for all subsequent notices or add an additional party to be copied on all subsequent notices. Except where otherwise provided to the contrary, notice shall be deemed given upon delivery.

e) Except as otherwise provided in this Lease or as otherwise required by law, Landlord retains the absolute right to withhold any consent or approval.

f) Neither this Lease nor a memorandum of lease shall be recorded by or on behalf of Tenant. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

g) The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto.

h) The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

i) Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

j) Any amount not paid by Tenant when due shall bear interest from such due date until paid in full at the lesser of the highest rate permitted by applicable law or 15 percent per year. Construction and interpretation of this Lease shall be governed by the laws of the state in which the Project is located, excluding any principles of conflicts of laws.

k) All exhibits attached hereto are hereby incorporated into this Lease and made a part hereof. In the event of any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

l) In the event either party hereto initiates litigation to enforce the terms and provisions of this Lease, the non-prevailing party in such action shall reimburse the prevailing party for its reasonable attorney's fees, filing fees, and court costs.

m) Upon receipt of written request from Landlord, Tenant, at Tenant's sole cost and expense, shall deliver to Landlord data regarding the electricity consumed in the operation of the Premises (the 'Energy Data') for purposes of regulatory compliance, benchmarking, energy management, building environmental performance labeling and other related purposes.

n) This agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one and the same agreement. The signature of a party transmitted electronically (e.g., e-signature) or by facsimile, PDF and/or other electronic image file format shall constitute and have the same force and effect as the original signature of the party. Following execution, a PDF (or similar image file format) scan of this entire agreement (whether signed electronically or in ink) shall be maintained, and considered to be the original agreement for all purposes.

o) Landlord makes the following statement based on Landlord's actual knowledge in order to comply with California Civil Code Section 1938: The Building and Premises have not undergone an inspection by a Certified Access Specialist (CASp). A Certified Access Specialist (CASp) can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit the Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of the Tenant, if requested by the Tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises. Landlord and Tenant hereby agree that a Tenant-requested CASp inspection shall be at Tenant's sole cost and expense and that the cost of making any repairs necessary

to correct violations of construction-related accessibility standards within the Premises shall be governed by Paragraph 3 of the Lease.

p) Tenant represents to Landlord and Landlord hereby represents to Tenant that:

- (i) such entity, nor any person or entity that directly owns a 10% or greater equity interest in it nor any of its officers, directors or managing members is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury, including those parties names on the OFAC's Specially Designated and Blocked Persons List and those covered pursuant to Executive Order 13224 (the "Executive Order") signed on September 24, 2001, entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action; and
- (ii) that such entity's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or USA Patriot Act, or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Acts").

38. WAIVER OF JURY TRIAL. TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (IN CONTRACT, TORT, OR OTHERWISE), BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

If the waiver of jury trial set forth above is not enforceable for any reason, then the parties hereby agree that, to the extent allowed by law, any dispute, controversy or other claim arising out of or relating to this Lease for the breach or interpretation hereof shall, at the written request of either party, be resolved by general Judicial Reference pursuant to California Code of Civil Procedure Sections 638 and 641 through 645 or any successor statutes hereto. The parties shall select a single neutral referee, who shall be a retired state or federal judge. In the event the parties cannot agree upon a referee, the referee shall be appointed by the court. The referee shall determine all issues relating to the dispute, controversy or claim, and shall report a statement of decision to the court. The parties shall equally bear the fees and expenses of the referee, unless the referee otherwise provides in the statement of decision. However, the prevailing party shall be entitled to reimbursement of attorney fees, costs, and expenses incurred in connection with the reference. The parties agree that each party shall have the right to cause an appeal to be taken from the referee's decision to a court of competent jurisdiction in the same manner as a judicial appeal arising out of an order or judgment from a California superior court in a civil action and all of the same rules, rights and remedies shall be applied to both parties with respect to any such appeal including matters of fact, matters of law, standards for review and substantive and procedural laws. Judgment may be entered upon any such final decision in accordance with applicable law in any court having jurisdiction thereof. The referee (if permitted under applicable law) or such court may issue a writ of execution to enforce the referee's decision.

[Remainder of page is intentionally blank; signature page to follow]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Effective Date.

TENANT:

City of Carson,
a California charter city

By: _____
Albert Robles, Mayor
_____, 2019

ATTEST:

Donesia L. Gause, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

By: _____
Sunny K. Soltani (AL)
City Attorney

LANDLORD:

Prologis Targeted U.S. Logistics Fund, L.P.,
a Delaware limited partnership

By: Prologis, L.P.,
a Delaware limited partnership
its general partner

By: Prologis, Inc.,
a Maryland corporation

By: _____

Name: _____

Title: _____

EXHIBIT A: LEGAL DESCRIPTION OF PREMISES

APN 7316-026-900

The real property located in the City of Carson, County of Los Angeles, State of California described as follows:

THAT PORTION OF LOT 1 IN BLOCK "B" OF THE SUBDIVISION OF A PART OF THE RANCHO SAN PEDRO, IN THE CITY OF CARSON, AS PER MAP RECORDED IN BOOK 1 PAGES 601 AND 602 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE UNION METAL MANUFACTURING COMPANY, RECORDED AS INSTRUMENT NO. 2062 ON FEBRUARY 20, 1964 IN BOOK 02376 PAGE 241, OFFICIAL RECORDS; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LAND DESCRIBED IN SAID DEED SOUTH 17° 09' 36" WEST 1368.44 FEET TO THE SOUTHEASTERLY CORNER THEREOF; THENCE ALONG THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID PARCEL NORTH 89° 56' 20" EAST 313.08 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING EASTERLY NORTH 89° 56' 20" EAST 149.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 377.47 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 50° 51' 25" AN ARC LENGTH OF 335.05 FEET TO THE WESTERLY LINE OF THE LAND DESCRIBED IN THE DECREE OF CONDEMNATION RECORDED IN BOOK 1939 PAGE 114 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG SAID WESTERLY LINE NORTH 17° 08' 40" EAST 1222.17 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF SAID LOT 1 AND THE SOUTHERLY LINE OF DOMINGUEZ STREET; THENCE ALONG THE SAID NORTHERLY LINE SOUTH 89° 58' 25" WEST 359.35 FEET; THENCE SOUTH 17° 09' 36" WEST 1352.77 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 315 FEET, A RADIAL TO SAID CURVE BEARS SOUTH 22° 55' 30" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8° 23' 29" AN ARC LENGTH OF 46.13 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL MINERALS, OIL, GAS AND HYDROCARBON SUBSTANCES LYING BELOW 500 FEET OF THE SURFACE OF SAID LAND WITHOUT THE RIGHT OF ENTRY IN, UPON OR OVER THE SURFACE OF SAID LAND OR IN, UPON OR OVER THE PORTION OF SAID LAND LYING WITHIN 500 FEET OF THE SURFACE THEREOF, EXCEPTED IN THE FOLLOWING DEEDS:

DEED FROM HARRY B. WILSON, ET AL. TO SOUTHERN PACIFIC COMPANY, A CORPORATION, RECORDED APRIL 7, 1952 IN BOOK 38652 PAGE 200 OF OFFICIAL RECORDS, DEEDS FROM SOUTHERN PACIFIC COMPANY TO LACY MANUFACTURING COMPANY, RECORDED DECEMBER 28, 1956 IN BOOK 53223 PAGE 282, RECORDED JANUARY 31, 1958 IN BOOK 56459 PAGE 198, RECORDED DECEMBER 29, 1958 IN BOOK D315 PAGE 989, RECORDED JUNE 15, 1960 IN BOOK D878 PAGE 995, RECORDED DECEMBER 30, 1960 IN BOOK D1079 PAGE 209, AND RECORDED AUGUST 7, 1968 IN BOOK D-1712 PAGE 125, ALL OF OFFICIAL RECORDS.