

ORIGINAL

OFFICE LEASE
BASIC LEASE INFORMATION

Date: June 24, 1998
Landlord: DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership
Tenant: METROPOLITAN WEST ASSET
MANAGEMENT, a California limited
liability company

SECTION

1.1 Premises: Suite 1580 at 11766 Wilshire Boulevard,
Los Angeles, California, 90025
1.2 Rentable Area of Premises: approximately 7,505 square feet
1.2 Usable Area of Premises: approximately 6,339 square feet
1.3 Term: Five (5) Years
Anticipated Commencement Date: January 1, 1999 (as modified by Section 1.3)
Anticipated Expiration: December 31, 2003 (as modified by Section 1.3)
2.1 Monthly Fixed Rent: \$19,888.25
2.2 Monthly Fixed Rent increases: 3% per annum (per terms of Section 2.2)
CPI Base Index: Not Applicable
Date of First Increase: January 1, 2000
Frequency of Increase: Annually thereafter
3.1 Tenant's Share: 1.98 %
3.2 Base Year for Operating Expenses: 1999
6.1 Use of Premises: Administrative offices from which to
provide financial services
16.1 Tenant's Address for Notices:
Before the Commencement Date 10880 Wilshire Boulevard, Suite 2020
Los Angeles, CA 90024
After the Commencement Date 11766 Wilshire Boulevard, Suite 1580
Los Angeles, CA 90025
Contact: Scott Dubchansky, CEO
16.1 Landlord's Address for Notices: Douglas, Emmett & Company
C/o Douglas, Emmett & Co.
12121 Wilshire Boulevard, Suite 600
Los Angeles, California 90025
22.5 Brokers Douglas, Emmett & Company
12121 Wilshire Boulevard, Suite 600
Los Angeles, California 90025 and
Mr. John Stern
Metrospace Corp.
11726 San Vicente Boulevard, Suite 500
Los Angeles, CA 90049
22.6 Security Deposit: \$22,384.40
26.1 Parking Permits: Twenty one (21) permits: Five (5) for reserved
spaces and sixteen (16) for unreserved spaces
28.1 Option to Extend Term One (1) extension for five (5) years
29.1 Right of First Offer Fifteenth (15) floor of 11766 Wilshire Boulevard,
Los Angeles, California, 90025

Except as noted hereinbelow, the foregoing Basic Lease Information is hereby incorporated into and made a part of the Lease. The Section reference in the left margin of the Basic Lease Information exists solely to indicate where such reference initially appears in the Lease document. Except as specified hereinbelow, each such reference shall in the Lease document shall incorporate the applicable Basic Lease Information. However, in the event of any conflict between any reference contained in the Basic Lease Information and the specific information wording of the Lease, the wording of the Lease shall control.

**OFFICE LEASE
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ORIGINAL

OFFICE LEASE

Between

**DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership
as Landlord**

and

**METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company
as Tenant**

**Dated
June 24, 1998**

OFFICE LEASE

This Office Lease, dated June 24, 1998, is by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), having an office at 12121 Wilshire Boulevard, Suite 600, Los Angeles, California 90025, and METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company ("Tenant"), having an office at 11766 Wilshire Boulevard, Los Angeles, California, 90025.

**ARTICLE I
DEMISE OF PREMISES AND TERM**

Section 1.1. Demise. Subject to the covenants and agreements contained in this Lease, Landlord leases to Tenant and Tenant hires from Landlord, Suite Number 1580 (the "Premises") on the fifteenth floor, in the building located at 11766 Wilshire Boulevard, Los Angeles, California, 90025 (the "Building"). The Premises are highlighted on Exhibit A, attached hereto and made a part hereof by reference.

Tenant acknowledges that it has made its own inspection of and inquiries regarding the Premises, which are already improved, and except for the improvements to be completed pursuant to Exhibit B, attached hereto and made a part hereof by reference, Tenant accepts the Premises in their "as is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Premises or the Building for the purposes intended by Tenant.

The Building, the Building's parking facility, any outside plaza areas, land and other improvements surrounding the Building which are designated from time to time by Landlord as common areas appurtenant to or servicing the Building, and the land upon which any of the foregoing are situated, are herein sometimes collectively referred to as the "Real Property." Tenant is hereby granted the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms and other public or common areas located on the Real Property, provided, however, that the manner in which such public and common areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to make alterations or additions to or change the location of elements of the Real Property and the common areas thereof.

Landlord specifically reserves to itself all the perimeter walls of the Premises, any balconies, terraces or roofs adjacent to the Premises (including any flagpoles or other installations on said walls, balconies, terraces or roofs) and any space in and/or adjacent to the Premises used for shafts, stairways, pipes, conduits, ducts, mail chutes, conveyors, pneumatic tubes, electric or other utilities, sinks, fan rooms or other Building facilities, and the use thereof, as well as access thereto through the Premises.

Section 1.2. Area. Landlord and Tenant agree that the Usable Area of the Premises has been measured according to the June, 1996 standards published by the Building Owners' and Managers' Association ("BOMA"), and that Landlord is utilizing a deemed loss factor of 18.40% to compute the Rentable Area of the Premises. Rentable Area herein is calculated as 1.184 times the estimated Usable Area, regardless of what the actual square footage of the common areas of the Building may be, and whether or not they are more or less than 18.40% of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant agree that even if the Rentable or Usable Area of the Premises and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of the Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Premises, as the case may be.

Section 1.3. Term. This Lease shall commence the later of January 1, 1999, or the date Landlord substantially completes the Tenant Improvements contemplated under Exhibit B (the "Commencement Date"). For the purposes of establishing the Commencement Date, substantial completion shall be defined as that point in the construction process when a majority of the structural, mechanical and electrical work to be performed has been completed in such a manner that Landlord receives a final sign-off by the appropriate building inspector on the fire/life/safety permit, and Tenant could, if it took possession of the Premises, enjoy beneficial occupancy thereof. Tenant's taking delivery of keys to the Premises shall constitute Tenant's acknowledgment that Landlord has substantially completed the Tenant Improvements contemplated hereunder, and that, except for any minor punchlist items to be completed, the Premises are in good order and repair.

Tenant may take possession of the Premises up to two (2) calendar weeks prior to the anticipated Commencement Date, subject to Tenant's compliance with all of the provisions and covenants contained herein, except for Tenant's obligation to pay Monthly Fixed Rent or Additional Rent. Notwithstanding the above, Tenant's early possession may not delay Landlord's completion of the Tenant Improvements called for hereunder, if any. If Tenant's early possession does so delay completion of the Tenant Improvements, then such delay shall be chargeable to Tenant by extending the Term an equal number of days as the total days Landlord was so delayed.

The Lease shall end, unless sooner terminated as otherwise provided herein at midnight on the last calendar day of the calendar month which occurs five (5) years (the "Term") after the Commencement Date (the "Termination Date"). Landlord and Tenant shall immediately execute an amendment to the Lease stating the finalized Commencement Date and Term as soon as they are ascertained.

If for any reason (including Landlord's inability to complete the Tenant Improvements called for hereunder) Landlord is unable to deliver possession of the Premises to Tenant on the anticipated Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession. However, Tenant shall not be obligated to pay the Rent that Tenant is required to pay pursuant to Section 2.1 until possession of the Premises has been delivered to Tenant by Landlord. Except for such delay in the commencement of Rent, Landlord's failure to give possession on the anticipated Commencement Date shall in no way affect Tenant's obligations hereunder.

If possession of the Premises is not tendered by Landlord within one hundred twenty (120) days after the anticipated Commencement Date, then Landlord and Tenant shall each have the right to terminate this Lease by giving notice one to the other within ten (10) days after such failure. If such notice of termination is not given by either Landlord or Tenant within said ten (10) days time period, then this Lease shall continue in full force and effect.

If such possession is not tendered within three hundred sixty (360) days after the anticipated Commencement Date, then this Lease, and the rights and obligations of Landlord and Tenant hereunder, shall terminate automatically, without further documentation being required.

Section 1.4. Holding Over. If Tenant holds over after the expiration or earlier termination of this Lease without the express prior written consent of Landlord, such tenancy shall be construed as a tenancy from month-to-month on the same terms and conditions as are contained herein insofar as are applicable, except that the Monthly Fixed Rent shall be equal one hundred twenty-five percent (125%) of the Monthly Fixed Rent payable by Tenant the calendar month immediately prior to the date when Tenant commences such holding over for the first sixty (60) days after Tenant commences such holding over and one hundred and fifty percent (150%) thereafter throughout the remainder of any time period that Tenant continues such holding over (the "Holdover Rent").

Such Holdover Rent shall be paid during such period as Tenant retains possession of the Premises. However, Tenant's payment of such Holdover Rent, and Landlord's acceptance thereof, shall not constitute a waiver any of Landlord's rights or remedies with respect to such holding over and shall not be deemed to be a consent by Landlord to Tenant's continued occupancy or possession of the Premises past the time period covered by such rental payment.

If Tenant fails to surrender the Premises upon the expiration or earlier termination of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including without limiting the foregoing, any claims made by any succeeding tenant found upon such failure to surrender, and any lost profits to Landlord resulting therefrom. Notwithstanding the above Landlord agrees to use commercially reasonable efforts to insert into the lease of any tenant following this tenancy provisions similar to those contained in this Section 1.3 permitting mitigation of Tenant's damages arising out of Tenant's temporary holdover.

**ARTICLE 2
PAYMENT OF RENT, LATE CHARGE**

Section 2.1. Payment of Fixed and Additional Rent. "Rent" shall mean: all payments of monies in any form whatsoever required under the terms and provisions of this Lease, and shall consist of:

- a) "Monthly Fixed Rent," which shall be payable in equal monthly installments of \$19,888.25 ; plus
- b) Additional Rent as provided in Article 3 and elsewhere in this Lease.

Rent shall be payable in advance on the first day of each and every calendar month throughout the Term, in lawful money of the United States of America, to Landlord at 11766 Wilshire Boulevard, Suite 1420, Los Angeles, California, 90025, or at such other place(s) as Landlord designates to Tenant. Tenant's obligation to pay Rent shall begin on the Commencement Date and continue throughout the Term, without abatement, setoff or deduction, except as otherwise specified hereinbelow.

Concurrent with Tenant's execution and delivery to Landlord of this Lease, Tenant shall pay to Landlord the first Month's Fixed Rent due hereunder.

Section 2.2. Adjustment. Commencing January 1, 2000 and continuing through December 31, 2000, the Monthly Fixed Rent shall increase from \$19,888.25 per month to \$20,484.90 per month.


Commencing January 1, 2001 and continuing through December 31, 2001, the Monthly Fixed Rent shall increase from \$20,484.90 per month to \$21,099.45 per month.

Commencing January 1, 2002 and continuing through December 31, 2002, the Monthly Fixed Rent shall increase from \$21,099.45 per month to \$21,732.43 per month.

Commencing January 1, 2003 and continuing through December 31, 2003, the Monthly Fixed Rent shall increase from \$21,732.43 per month to \$22,384.40 per month.

Section 2.3. Certain Taxes. Tenant shall reimburse Landlord concurrent with Tenant's next scheduled payment of Monthly Fixed Rent for any and all taxes, surcharges, levies, assessments, fees and charges payable by Landlord when:

- a) assessed on, measured by, or reasonably attributable to:
 - i) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or
 - ii) the cost or value of any leasehold improvements in or to the Premises in excess of \$35.00 per square foot, provided the same have been made in connection with Tenant's execution of this Lease, and without regard to whether title to or payment for such improvements vests with Tenant or Landlord;


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- b) on or measured by any rent payable hereunder, including, without limitation, any gross income tax, gross receipts tax, or excise tax levied by the City or County of Los Angeles or any other governmental body with respect to the receipt of such rent (computed as if such rent were the only income of Landlord), but solely when levied by the appropriate City or County agency in lieu of or as an adjunct to such business license(s), fees or taxes as would otherwise be payable by Tenant directly to such taxing authority;
- c) upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or
- d) solely because Landlord and Tenant entered into this transaction or executed any document transferring an interest in the Premises to Tenant. If it becomes unlawful for Tenant so to reimburse Landlord, the rent payable to Landlord under this Lease shall be revised to net the Landlord the same rent after imposition of any such tax as would have been payable to Landlord prior to the imposition of any such tax.

Said taxes shall be due and payable whether or not now customary or within the contemplation of Landlord and Tenant. Notwithstanding the above, in no event shall the provisions of this Section 2.3 serve to entitle Landlord to reimbursement from Tenant for any federal, state, county or city income tax or business license fee payable by Landlord or the managing agent of Landlord.

Section 2.4. Manner of Payment. Tenant shall pay Monthly Fixed Rent and Additional Rent immediately upon the same becoming due and payable, without demand therefor, and without any abatement, set off or deduction whatsoever except as may be expressly provided in this Lease. Landlord's failure to submit statements to Tenant stating the amount of Monthly Fixed Rent or Additional Rent then due, including Landlord's failure to provide to Tenant a calculation of the adjustment as required in Section 2.2 or the Escalation Statement referred to in Article 3, shall not constitute Landlord's waiver of Tenant's requirement to pay the Rent called for herein. Tenant's failure to pay Additional Rent as provided herein shall constitute a material default equal to Tenant's failure to pay Monthly Fixed Rent when due.

Tenant shall promptly and duly pay all costs and expenses incurred for or in connection with any Tenant Change or Tenant Service, and discharge any mechanic's or other lien created against the Premises, Building or the Real Property arising as a result of or in connection with any Tenant Change or Tenant Service within ten (10) days by paying the same, bonding or manner otherwise provided by law.

Section 2.5. Certain Adjustments. If the Commencement Date occurs on other than January 1st of a calendar year, or the Lease expires or terminates on other than December 31st of a calendar year, the size of the Premises changes during a calendar year, or any abatement of Monthly Fixed Rent or Additional Rent occurs during a calendar year, the amount payable by Tenant or Landlord during such year shall be adjusted proportionately on a daily basis, and the obligation to pay such amount shall survive the expiration or earlier termination of this Lease.

If The Commencement Date occurs on other than the first day of a calendar month, or the Lease expires on a day other than the last day of a calendar month, the Monthly Fixed Rent and Additional Rent due shall be apportioned on a prorata basis for the number of days remaining in the first or last month of the Term and for the last month if this Lease expires on a day other than the last day of a calendar month. If the amount of fixed or Additional Rent due is modified pursuant to the Terms of this Lease, such modification shall take effect the first day of the calendar month immediately following the date such modification would have been scheduled.





Section 2.6. Late Charge and Interest. Tenant acknowledges that late payment by Tenant to Landlord of fixed or Additional Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which are extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any installment of fixed or Additional Rent and other payment due from Tenant hereunder is not received by Landlord within five (5) days of the date it becomes due, Tenant shall pay to Landlord on demand an additional sum equal to five percent (5%) of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable settlement against the costs that Landlord will incur by reason of Tenant's late payment. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

Every installment of fixed and Additional Rent and any other payment due hereunder from Tenant to Landlord which is not paid within twelve (12) days after the same becomes due and payable shall, in addition to any Late Charge already paid by Tenant, bear interest at the rate of ten percent (10%) per annum from the date that the same originally became due and payable until the date it is paid. Landlord shall bill Tenant for said interest, and Tenant shall pay the same within five (5) days of receipt of Landlord's billing.

ARTICLE 3 ADDITIONAL RENT

Section 3.1. Certain Definitions. As used in this Lease:

- a) "Escalation Statement" means a statement by Landlord, setting forth the amount payable by Tenant or by Landlord, as the case may be, for a specified calendar year pursuant to this Article 3.
- b) "Operating Expenses" means the following in a referenced calendar year calculated assuming the Building is at least ninety-five percent (95%) occupied: all costs of management, operation, maintenance, and repair of the Building and shall include (by way of illustration) but not be limited to: management fees paid by Landlord to any third-party, which shall not exceed those reasonable

and customary in the geographic area in which the Building is located; water and sewer charges; any and all insurance premiums not otherwise directly payable by Tenant; license, permit and inspection fees; air conditioning (including repair of same); heat; light; power and other utilities; steam; labor; cleaning and janitorial services; guard services; supplies; materials; equipment and tools.

Operating Expenses shall also include the cost or portion thereof of those capital improvements made to the Building by Landlord during the Term:

- i) that reduce other direct expenses and were made to the Building by Landlord after the date of this Lease, or
- ii) that are required under any governmental law or regulation that was not applicable to the Building as of the Commencement Date.

Said capital improvement costs, or the allocable portion thereof (as referred to in clauses (i) and (ii) above), shall be amortized pursuant to generally-accepted accounting principles, together with interest on the unamortized balance at the rate of eight percent (8%) per annum.

Operating Expenses shall also include all general and special real estate taxes, increases in assessments or special assessments and any other ad valorem taxes, rates, levies and assessments paid during a calendar year (or portion thereof) upon or with respect to the Building and the personal property used by Landlord to operate the Building, provided the same is related to ownership and/or use thereof during periods included within the Term of this Lease, whether paid to any governmental or quasi-governmental authority, and all taxes specifically imposed in lieu of any such taxes (but excluding taxes referred to in Section 2.3 for which Tenant or other tenants in the Building are liable) including fees of counsel and experts, reasonably incurred by, or reimbursable by Landlord in connection with any application for a reduction in the assessed valuation of the Building and/or the land thereunder or for a judicial review thereof, (collectively "Appeal Fees"), but solely to the extent that the Appeal Fees result directly in a reduction of taxes otherwise payable by Tenant. However, in no event shall the billing rendered to Tenant and attributable to real estate taxes and assessments for any expense year be less than the billing for real estate taxes and assessments during the Base Year.

Operating Expenses shall also include, but not be limited to, the premiums for the following insurance coverage: all-risk, structural, fire, boiler and machinery, liability, earthquake and for replacement of tenant improvements to a maximum of \$35.00 per usable square foot, and for such other coverage(s), and at such policy limit(s) as Landlord deems reasonably prudent and/or are required by any mortgage, which coverage and limits Landlord may, in Landlord's sole discretion, change from time to time.

- c) Exclusions to Operating Expenses. Notwithstanding anything contained in the definition of Operating Expenses as set forth in Subsection 3.1.(b) of the Lease, Operating Expenses shall not include the following:

- i) Any ground lease rental;
- ii) The cost of repairs to the Building, if the cost of such repairs is reimbursed by the insurance carried by Landlord or subject to award under any eminent domain proceeding;
- iii) Costs, including permit, license and inspection costs, incurred with respect to the installation of Tenant's or other occupants improvements or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for Tenant or other occupants of the Building;
- iv) Depreciation, amortization and interest payments, except as specifically permitted herein or except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services. In such a circumstance, the inclusion of all depreciation, amortization and interest payments shall be determined pursuant to generally accepted accounting principles, consistently applied, amortized over the reasonably anticipated useful life of the capital item for which such amortization, depreciation or interest allocation was calculated.
- v) Marketing costs including leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building;
- vi) Expenses for services not offered to Tenant or for which Tenant is charged directly, whether or not such services or other benefits are provided to another tenant or occupant of the Building;
- vii) Costs incurred due to Landlord's or any tenant of the Building's violation, other than Tenant, of the terms and conditions of any lease or rental agreement in the Building;
- viii) That portion of any billing by Landlord, its subsidiaries or affiliates, for goods and/or services in the Building, to the extent that such billing exceeds the costs of such goods and/or services if rendered by an unaffiliated third parties on a competitive basis;






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- ix) Costs incurred by Landlord for structural earthquake repairs necessitated by the January 17, 1994 earthquake that occurred in the vicinity of the Building;
 - x) Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Building or the land thereunder;
 - xi) Costs associated with operating the entity which constitutes Landlord, as the same are distinguished from the costs of operation of the Building, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, cost (including attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord's ownership of the Building;
 - xii) Advertising and promotional expenditures, and costs of signs in or on the Building identifying the owner of the Building, or other tenants' signs;
 - xiii) Electric, gas or other power costs for which Landlord has been directly reimbursed by another tenant or occupant of the Building, or for which any tenant directly contracts with the local public service company,
 - xiv) Tax penalties and interest incurred as a result of Landlord's negligence or willful failure to make payments and/or to file any income tax or informational return(s) when due, unless such non-payment is due to Tenant's nonpayment of rent;
 - xv) Costs incurred by Landlord to comply with notices of violation of the Americans With Disabilities Act, as amended, when such notices are for conditions existing prior to the Commencement Date;
 - xvi) Any charitable or political contributions;
 - xvii) The purchase or rental price of any sculpture, paintings or other object of art, whether or not installed in, on or upon the Building;
 - xviii) Any compensation or expenses reimbursed to clerks, attendants or other persons working in any commercial concession(s) operated by Lessor, and any services provided, taxes attributable to and costs incurred in connection with the operation of any retail or restaurant operations in the Building
 - xix) Any accelerated payment(s) made at Landlord's election on obligations undertaken by Landlord as installment obligations, or which would not otherwise become due, to the extent that such accelerated payment(s) exceed the amount otherwise payable had Landlord not elected to accelerate payment thereof. Notwithstanding such exclusion, the balance of such accelerated payment shall be included by Landlord in operating expense calculations for succeeding years, as if the payment had been made when originally due prior to such acceleration.
 - xx) Costs, including attorneys' fees and settlement judgments and/or payments in lieu thereof, arising from actual or potential claims, disputes, litigation or arbitration pertaining to Landlord and/or the Building;
 - xxi) Insurance deductibles in excess of reasonable and customary deductible amounts, and/or whether or not reasonable and/or customary, in excess of \$250,000 in any calendar year;
 - xxii) Costs of repairs which would have been covered by casualty insurance but for Landlord's failure to maintain casualty insurance to cover the replacement value of the Building as required by the Lease;
 - xxiii) Capital expenditures not otherwise permitted hereunder; and
 - xxiv) The assessment or billing of operating expenses that results in Landlord being reimbursed more than one hundred percent (100%) of the total expenses for the calendar year in question.
- d) "Tenant's Share" means 1.98 %.
- e) **Limitation on Increase in Real Property Tax Assessment.** Notwithstanding anything to the contrary contained within the Lease, Landlord agrees that if the Building is sold or transferred by Landlord during the Term (the "Protection Period"), then, except as provided hereinbelow, to the extent that the Real Estate Tax Assessment upon or in respect to the Building is increased as a result of said sale or transfer (the "Reassessment"), Tenant shall only be liable for such increase pursuant to the following schedule:
- | | |
|-------------------------------------|------|
| First Year after Sale or Transfer: | 20% |
| Second Year after Sale or Transfer: | 40% |
| Third Year after Sale or Transfer: | 60% |
| Fourth Year after Sale or Transfer: | 80% |
| Fifth Year after Sale or Transfer: | 100% |
| Any Extension Thereafter: | 100% |
- f) **Tenant to Pay Normal Assessment Increases.** However, nothing contained herein shall prohibit Landlord from including in Tenant's operating expense escalation any increase in the Real Estate Tax Assessment which was calculated based upon:
- i) the initial assessment of the value of the Building, the base shell and core of the Building or the overall tenant improvements originally located in the Building as of the Base Year;





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- ii) assessments which were pending immediately prior to the Reassessment, which assessments were conducted during, and were included in such Reassessment; or which assessments were otherwise rendered unnecessary following the Reassessment,
- iii) the annual inflationary increase of base real estate tax assessments, but not in excess of two percent (2%) cumulative per annum; or
- iv) any actual real estate tax expenses incurred during the Base Year (excluding the effect of any Proposition 8 refund).

Section 3.2. Calculation of Operating Expenses Due. If the Operating Expenses for any calendar year during this Term (including the year in which this Lease expires or is otherwise terminated), commencing with the calendar year 2000, have increased over the Operating Expenses for the calendar year 1999 (the "Base Year"), then within the calendar month immediately following Tenant's receipt of an Escalation Statement relating to such calendar year, Tenant shall, in the case of an increase, pay to Landlord as Additional Rent for such calendar year an amount equal to the product obtained by multiplying such increase by Tenant's Share. Landlord may, at or after the start of any calendar year, subsequent to the calendar year 1999, notify Tenant of the amount which Landlord estimates will be Tenant's monthly share of any such increase in Operating Expenses for such calendar year over the Base Year and the amount thereof shall be added to the Monthly Fixed Rent payments required to be made by Tenant in such year. If Tenant's Share of any such increase in rent payable hereunder as shown on the Escalation Statement is greater or less than the total amounts actually billed to and paid by Tenant during the year covered by such statement, then within thirty (30) days thereafter, Tenant shall pay in cash any sums owed Landlord or, if applicable, Tenant shall receive a credit against the Rent remaining to be paid by Tenant, or if the Term has other expired, Tenant shall receive a cash reimbursement from Landlord within ten (10) days after Landlord's and Tenant's acceptance of any adjustment due.

Notwithstanding anything to the contrary in this Section 3.2 of the Lease, if, in any calendar year following the Base Year (a "Subsequent Year"), a new item of expense (e.g. earthquake insurance, concierge services; entry card systems), is included in Operating Expenses which was not included in the Base Year Operating Expenses, then the cost of such new item shall be added to the Base Year Operating Expenses for purposes of determining the Additional Rent payable pursuant to this Section 3.2 for such Subsequent Year. The same amount shall continue to be included in Base Year Operating Expenses for each Subsequent Year thereafter such that the additional charges for such Subsequent Year shall include the increase in the cost of such new item over the first Subsequent Year in which it appeared as an Operating Expense, provided, however, that if in any Subsequent Year thereafter such new item is not included in Operating Expenses, no such addition shall be made to Base Year Operating Expenses. Conversely, if, in any Subsequent Year, an item of expense as determined by Landlord in its sole discretion is no longer included in Operating Expenses that was included in the Base Year Operating Expenses, then the cost of such item shall be deleted from the Base Year Operating Expenses for purposes of determining the Additional Rent payable pursuant to this Section 3.2 for such Subsequent Year. The same amount shall continue to be deleted from the Base Year Operating Expenses for each Subsequent Year thereafter that the item is not included provided, however, that if such item is again included in any Subsequent Year, then the item shall be added back to the Base Year Operating Expenses.

Section 3.3. Other Additional Rent. Certain individual items of cost or expense may, in the reasonable determination of Landlord, be separately charged and billed to Tenant by Landlord, either alone or in conjunction with another party or parties, if they are deemed in good faith by Landlord to apply solely to Tenant and/or such other party or parties and are not otherwise normally recaptured by Landlord as part of normal operating expenses. Insofar as is reasonable, Landlord shall attempt to give Tenant prior notice and the opportunity to cure any circumstance that would give rise to such separate and direct billing.

Said separate billing shall be paid as Additional Rent, regardless of Tenant's Share. Such allocations by Landlord shall be binding on Tenant unless patently unreasonable.

ARTICLE 4 ETHICS

Section 4.1. Ethics. Landlord and Tenant agree to conduct their business or practice in compliance with any appropriate and applicable codes of professional or business practice.

ARTICLE 5 LANDLORD'S RIGHTS

Section 5.1. Landlord's Rights. Landlord reserves the following rights:

- a) To designate all sources furnishing sign painting or lettering;
- b) To constantly have pass keys to the Premises;
- c) To grant to anyone the exclusive right to conduct any particular business or undertaking in the Building, so long as Landlord's granting of the same does not prohibit Tenant from continuing to conduct business hereunder for the purposes specified in Article 6;
- d) To enter the Premises at any reasonable time with reasonable notice (except for emergencies) to inspect, repair, alter, improve, update or make additions to the Premises or the Building;
- e) Upon a minimum of twenty-four (24) hours prior written notice, and at times reasonably convenient to Tenant, to exhibit the Premises to other prospective tenants during the last six (6) months of the Term;

- f) To, at any time, and from time to time, whether at Tenant's request or pursuant to governmental requirement, repair, alter, make additions to, improve, or decorate all or any portion of the Building or Premises. In connection therewith, and without limiting the generality of the foregoing rights, Landlord shall specifically have the right to remove, alter, improve or rebuild all or any part of the lobby of the Building as the same is presently or shall hereafter be constituted; and/or
- g) To take such actions as may be necessary for any other purpose whatsoever reasonably related to the safety, protection, preservation or improvement of the Premises, the Building, or Landlord's interest therein.

**ARTICLE 6
USE OF PREMISES**

Section 6.1. Use. The Premises shall only be used as administrative offices from which to provide financial services (the "Specified Use") and for no other purposes, without Landlord's prior written consent, which consent shall be in Landlord's sole discretion. Reasonable grounds for withholding consent include:

- a) the proposed use will place a disproportionate burden on the Building systems;
- b) the proposed use is for governmental or medical purposes or for a company whose primary business is conducting boiler-room type transactions or sales;
- c) the proposed use would generate excessive foot traffic to the Premises and/or Building.

So long as Tenant is in control of the Premises, Tenant covenants and agrees that it shall not use, or suffer or permit any person or persons to use the Premises or any part thereof for any purpose in violation of the laws of the United States of America, the state of California, or the ordinances, regulations or requirements of the City or County of Los Angeles, or other lawful authorities having jurisdiction over the Building.

Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or unreasonably interfere with the rights of other tenants or occupants of the Building, or injure or annoy them. Tenant shall not use or allow the Premises to be used for any improper, immoral or objectionable purposes, nor shall Tenant cause, commit or maintain or permit any nuisance or waste in, on or about the Premises. Tenant shall not use the Premises in any manner that in Landlord's reasonable judgment would adversely affect or interfere with any services Landlord is required to furnish to Tenant or to any other tenant or occupant of the Building, or that would interfere or obstruct the proper and economical rendition of any such service.

Section 6.2. Exclusive Use. Landlord represents that Tenant's Specified Use of the Premises does not now, nor will it in the future, conflict with exclusive use provisions granted by Landlord in other leases for the Building.

Any proposed revision of the Specified Use by Tenant shall be for a use consistent with those found in other first-class office buildings, and shall specifically exclude the following, for which Landlord has already granted exclusive rights:

- a) Photo finishing; and/or
- b) The retail sale of groceries or pharmaceuticals.

Provided that Tenant has received written notice of the same from Landlord, and further provided that such exclusive use provision as Landlord grants shall not infringe upon Tenant's right to use and occupy the Premises pursuant to the Specified Use contained hereinabove, Tenant covenants that it shall not engage in activities in the future which will conflict with exclusive use provisions either currently granted by Landlord, or granted by Landlord after the Commencement Date to other tenants in the Building.

Section 6.3. Rules and Regulations. Tenant shall observe and comply with the rules and regulations set forth in Exhibit C, and such other and further reasonable and non-discriminatory rules and regulations as Landlord at any time or from time to time may make and communicate to Tenant, and which, in the reasonable judgment of Landlord, shall be necessary or desirable to ensure the first-class operation, maintenance, reputation or appearance of the Building; provided however, that in the case of any conflict between the provisions of this Lease and any such rule or regulation, the provisions of this Lease shall control.

Notwithstanding the above, provided Landlord reasonably seeks compliance therewith, Landlord shall not be responsible to Tenant for the failure of any other tenants or occupants of the Building to comply with the Rules and Regulations.

**ARTICLE 7
CONDITION UPON VACATING & REMOVAL OF PROPERTY**

Section 7.1. Condition upon Vacating. At the expiration or earlier termination of this Lease, Tenant shall:

- a) terminate its occupancy of, quit and surrender to Landlord, all or such portion of the Premises upon which this Lease has so terminated, broom-clean and in the same condition as received except for:
 - i) ordinary wear and tear, or
 - ii) loss or damage by fire or other casualty which shall not have been caused by the gross negligence or willful misconduct of Tenant or its agents, clients, contractors, employees, invitees, licensees, officers, partners or shareholders; and

- b) surrender the Premises free of any and all of Tenant's personal Property that does not otherwise become a part of the Real Property, pursuant to the provisions contained in Section 7.2, hereinbelow; and
- c) at Tenant's sole expense, forthwith and with all due diligence remove any Tenant Change made by Tenant and restore the Premises to their original condition, reasonable wear and tear excepted, provided Landlord shall have notified Tenant of its obligation to do so at the time Landlord approved Tenant's request for a Tenant Change. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Tenant Change, Landlord may do so and may charge the cost thereof to Tenant.

Section 7.2. Tenant's Property. All fixtures, equipment, improvements and installations attached to, or built into, the Premises as of the Commencement Date or at any time thereafter during the Term shall, at the expiration or earlier termination of this Lease, be deemed the property of Landlord; become part of the Premises and shall remain therein. However, if same can be removed without causing any structural damage to the Premises, then, provided after such removal Tenant restores the Premises to the condition existing prior to installation of Tenant's trade fixtures or equipment, Tenant shall be permitted, at Tenant's sole expense, to remove said trade fixtures and equipment.

**ARTICLE 8
UTILITIES AND SERVICES**

Section 8.1. Normal Building Hours / Holidays. The "Normal Business Hours" of the Building, during which Landlord shall furnish the services specified in this Article 8 are defined as 8:00 A.M. to 6:00 P.M., Monday through Friday, and 9:00 A.M. to 1:00 P.M. on Saturday.

The "Holidays" which shall be observed by Landlord in the Building are defined as any federally-recognized holiday and any other holiday as specified enumerated herein, which are: New Years Day, Presidents' Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day (collectively a "Holiday"). Tenant acknowledges that the Building shall be closed on each and every such Holiday, and Tenant shall not be guaranteed access to Landlord or Landlord's managing agent(s) on such Holidays.

Section 8.2. Janitorial Services and After-Hours Access. Landlord shall furnish the Premises with reasonable and customary janitorial services on Monday through Friday of each business week, except when the Building is closed on a Holidays as specified herein. Landlord shall retain the sole discretion to choose and/or revise the janitorial company providing said services to the Premises.

Subject to Force Majeure and any power outage(s) which may occur in the Building, when the same are out of Landlord's reasonable control, Landlord shall furnish bulb replacement for building standard lights, access to and use of the elevators and Premises, use of electrical lighting on an as-needed basis within the Premises, and use of a reasonable level of water for kitchen and toilet facilities twenty-four (24) hours per day, seven days per week.





Section 8.3. Security Services. Tenant acknowledges that Landlord currently provides uniformed guard service to the Building twenty four (24) hours per day, seven (7) days per week, solely for the purposes of providing surveillance of, information and directional assistance to persons entering the Building.

Tenant acknowledges that such guard service shall not provide any measure of security or safety to the Building or the Premises, and that Tenant shall take such actions as it may deem necessary and reasonable to ensure the safety and security of Tenant's property or person or the property or persons of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders. Tenant agrees and acknowledges that, except in the case of the gross negligence or willful misconduct of Landlord or its directors, employees, officers, partners or shareholders, Landlord shall not be liable to Tenant in any manner whatsoever arising out of the failure of Landlord's guard service to secure any person or property from harm.

Tenant agrees and acknowledges that Landlord, in Landlord's sole discretion, shall have the option, but not the obligation to add, decrease, revise the hours of and/or change the level of services being provided by any guard company serving the Building. Tenant further agrees that Tenant shall not engage or hire any outside guard or security company without Landlord's prior written consent, which shall be in Landlord's sole discretion.

Section 8.4. Tenant Services. Tenant shall make no contract or employ any labor in connection with the maintenance, cleaning or other servicing of the physical structures of the Premises (a "Tenant Service") without the prior consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall not permit the use of any labor, material or equipment in the performance of any Tenant Service if the use thereof, in Landlord's reasonable judgment, would violate the provisions of any agreement between Landlord and any union providing work, labor or services in or about the Building and/or create labor disharmony in the Building.

Section 8.5. Utilities. During Normal Business Hours Landlord shall furnish a reasonable level of water, heat, ventilation and air conditioning ("HVAC"), and electric current for lighting and the operation of ordinary office business machines, such as a single personal computer and ancillary printer per one hundred and twenty (120) rentable square feet contained in the Premises, facsimile machines, small copiers customarily used for general office purposes, and such other equipment and office machines as do not result in above-standard use of the existing electrical system. So long as the same remain reasonably competitive, Landlord shall retain the sole discretion to choose the utility vendor(s) to supply such utilities and services to the Premises and the Building.





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Except with the prior written consent of Landlord, Tenant shall not install or use any equipment, apparatus or device in the Premises that requires installation of a 220 voltage circuit, or consumes more than five (5) kilowatts per hour per item, or the aggregate use of which will in any way increase the amount of electricity furnished or supplied for use in the Premises to more than 4 kWh per usable square foot per month, on an annualized basis.

Landlord acknowledges and agrees that Tenant shall be permitted, as part of the initial Improvements referenced herein, to install a separate stand-alone HVAC system serving such portion of the Premises as Tenant shall reasonably specify, which system is intended to provide cooled air to said portion of the Premises up to twenty-four (24) hours per day, seven (7) days per week. Landlord agrees that Landlord shall provide condenser water at no additional cost to Tenant.

As a condition to said installation, Tenant shall instruct Landlord's space planner to include installation of a separate meter and/or sub-meter serving said stand-alone unit, and Tenant specifically agrees to pay, as Additional Rent, the cost of providing utility and/or other services to said unit outside of Normal Business Hours.

Except with the prior written consent of Landlord, Tenant shall not connect any electrical equipment to the electric system of the Building, except through electrical outlets already existing in the Premises, nor shall Tenant pierce, revise, delete or add to any water or air pipes in the Premises.

Notwithstanding the foregoing, if:

- a) Tenant is substantially prevented from using the Premises as a result of Landlord's failure to provide the utilities and services called for hereunder;
- b) The remedy of such failure is reasonably under the control of Landlord;
- c) Tenant has immediately notified Landlord in writing of such interruption,
- d) Such interruption of services was not caused by or materially contributed to by Tenant; and
- e) Such interruption continues for more than six (6) consecutive business days (the "Interruption Period") after Tenant has given Landlord written notice,

then Tenant's Monthly Fixed Rent and Additional Rent shall be abated from and after the last day of the Interruption Period until such time as Landlord restores the utilities or service so interrupted. However, in any event, Landlord shall immediately cure or commence to cure such interruption and diligently prosecute same to completion.

Section 8.6. Excess Utility Usage. If Tenant requires electric current in excess of said 4 kWh or water or gas in excess of that customarily furnished to the Premises as office space, Tenant shall first procure Landlord's prior written consent to such excess use, which Landlord may reasonably refuse.

In lieu of Landlord's refusal, Landlord may cause a meter or sub-meter to be installed to measure the amount of water, gas and/or electric current consumed by Tenant in the Premises. The cost of any such meters and the installation, maintenance, and repair thereof shall be paid by Tenant as Additional Rent. Thereafter, Tenant agrees to pay to Landlord by the beginning of the next calendar month after Landlord's issuance of a billing showing the amounts then due, for all water, steam, compressed air and electric current consumed beyond the normal levels specified herein to be provided by Landlord, calculated on the usage indicated by such meter or sub-meter. Said billing shall be issued by Landlord at the rates charged for such services by the local public utility furnishing the same, plus any additional expense reasonably incurred by Landlord in keeping account of the water, steam, compressed air and electric current so consumed.

Section 8.7. After Hours HVAC. Furthermore, if Tenant requires heat and air conditioning during times other than those Normal Business Hours as defined in Exhibit "C," attached hereto, which may be revised from time to time ("Excess HVAC"), Tenant shall make its request in writing at least six (6) hours before the close of the normal business day. Otherwise, Landlord shall have no obligation to provide Excess HVAC. Tenant's request shall be deemed conclusive evidence of its willingness to pay the costs specified hereinabove.

Section 8.8. Changes affecting HVAC. Tenant shall also pay Landlord for any additional costs Landlord incurs due to the HVAC equipment and systems failing to perform their function because of changes in, or alterations to, the arrangement of partitioning in the Premises after the Commencement Date or from occupancy by, on average, more than one person for every one hundred and twenty-five (125) usable square feet of the Premises, or from Tenant's failure to keep all HVAC vents within the Premises free of obstruction.

Section 8.9. Limitation on Landlord's Liability. Except as specified herein, and specifically in the case of Landlord's gross negligence or willful misconduct or the gross negligence or willful misconduct of Landlord's agents, contractors, directors, employees, licensees, officers, partners or shareholders, Tenant agrees that Landlord shall not be liable for damages, by abatement of rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure, delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by Landlord's inability to secure electricity, gas, water or other fuel at the Building after Landlord's reasonable effort to do so, by accident or casualty whatsoever, by act or default of Tenant or parties other than Landlord, or by any other cause beyond Landlord's reasonable control. Such failures, delays or diminution shall never be deemed to constitute a constructive eviction or disturbance of Tenant's use and possession of the Premises, or serve to relieve Tenant from paying rent or performing any of its obligations under the Lease.


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Furthermore, Landlord shall not be liable under any circumstances for a loss of, injury to, or interference with, Tenant's business, including, without limitation, any loss of profits occurring or arising through or in connection with or incidental to Landlord's failure to furnish any of the services or utilities required by this Article 8.

Notwithstanding the above, Landlord shall use commercially reasonable efforts to remedy any delay, defect or insufficiency in providing the utility services required hereunder.

ARTICLE 9 VARIOUS COVENANTS

Section 9.1. Repairs. Tenant shall, at Tenant's expense, maintain the Premises in good order and repair, and shall also keep clean any portion of the Premises which Landlord is not obligated to clean. Such obligation shall include the clean-out; repair and/or replacement of Tenant's garbage disposal(s), Instant-Heat or other hot water producing equipment, if any. If Tenant becomes obligated to repair anything within the Premises, Tenant shall advise Landlord's managing agent of such need, which request shall be presumed conclusive evidence of Tenant's obligation and willingness to reimburse Landlord for such repair(s).

Further, Tenant shall pay the cost of any injury, damage or breakage in, upon or to the Premises created by Tenant's gross negligence or willful misconduct or the gross negligence or willful misconduct of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders.

Landlord shall make all repairs to the Premises and the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, the systems and equipment of the Building and the Tenant Improvements installed in the Premises. However, if such repairs, maintenance or cleaning are required due to Tenant's gross negligence or willful misconduct or the gross negligence or willful misconduct of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, then, Tenant shall, within ten (10) days after receipt of Landlord's billing therefor, reimburse Landlord for any expense of such repairs, cleaning and/or maintenance in excess of any insurance proceeds available for reimbursement thereof, including for any deductible anticipated in connection therewith.

Tenant hereby waives all right to make repairs at Landlord's expense under the provisions of Section 1932(1), 1941 and 1942 of the Civil Code of California.

Section 9.2. Tenant Changes after Completion of Initial Tenant Improvement Construction. Tenant shall make no alteration, change, addition, removal, demolition, improvement, repair or replacement in, to, on or about, the Premises after the Commencement Date, or at any time to the Building (collectively or individually a "Tenant Change"), without the prior written consent of Landlord, which consent shall be in Landlord's reasonable discretion. Any Tenant Change, except the installation of movable furniture and trade fixtures, shall at once become a part of the Building and belong to Landlord.

Neither Tenant nor its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall deface the walls, floors and/or ceilings of the Premises, nor mark, drive nails, screws or drill holes into, paint, or in any way mar any surface in the Building. Notwithstanding the above, Tenant is hereby permitted to install such pictures, certificates, licenses, artwork, bulletin boards and similar items as are normally used in Tenant's business, so long as such installation is carefully attached to the walls by Tenant in a manner to be reasonably prescribed by Landlord.

If Tenant desires, as a part of any Tenant Change, to make any revisions whatsoever to the electrical, HVAC, mechanical, plumbing, or structural systems of the Building or Premises, such work must be completed by the subcontractor or subcontractors specified by Landlord and in the manner and location(s) reasonably prescribed by Landlord. If Tenant desires to install any telephone outlets, the same shall be installed in the manner and location(s) reasonably prescribed by Landlord. When applying for any consent needed from Landlord, Tenant shall comply with the provisions of Exhibit B-1, attached hereto and made a part hereof by reference.

If Landlord consents to a Tenant Change, such approved Tenant Change shall be completed at Tenant's sole expense, in accordance with the provisions of Exhibit B-1. During completion thereof, Tenant shall not permit any contractors, workmen, laborer, material or equipment to come into or upon the Building if the use thereof, in Landlord's reasonable judgment, would violate Landlord's agreement with any union providing work, labor or services in or about the Building.

If Landlord consents to any requested Tenant Change, Tenant shall give Landlord a minimum of fifteen (15) days written notice prior to commencement thereof. Landlord reserves the option, but not the obligation, to enter upon the Premises for the purpose of posting and maintaining such notices on the Premises as may be reasonably necessary to protect Landlord against mechanic's liens, material man's liens or other liens, and/or for posting any other notices that may be proper and necessary in connection with Tenant's completion of the Tenant Change.

If any alterations, additions or improvements made by Tenant result in Landlord being required to make any alterations to other portions of the Building in order to comply with any applicable statutes, ordinances or regulations (e.g., "handicap ordinances") then Tenant shall reimburse Landlord upon demand for all costs and expenses incurred by Landlord in making such alterations.

Section 9.3. Hold Harmless. For the purposes of this Section 9.6, "Indemnitee(s)" shall jointly and severally refer to Landlord and its agents, clients, contractors, directors, employees, licensees, officers, partners or shareholders.


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Tenant shall indemnify and save Indemnitees harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including attorneys fees and costs incurred in the defense thereof) to which any Indemnitee may be subject or suffer when the same arise out of the gross negligence or willful misconduct of Tenant or the gross negligence or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders in connection with the use of, work in, construction to, or actions on or about the Premises, including any actions relating to the installation, placement, removal or financing of any Tenant Change, improvements, fixtures and/or equipment in, on or about the Premises.

Tenant's indemnification shall extend to any and all claims and occurrences, whether for injury to or death of any person or persons, or for damage to property (including any loss of use thereof), or otherwise, occurring during the Term or prior to the Commencement Date, (if Tenant has been given early access to the Premises for whatever purpose), and to all claims arising from any condition of the Premises due to or resulting from any default by Tenant in the keeping, observance or performance of any material covenant or agreement contained in this Lease or from the gross negligence or willful misconduct of Tenant or the gross negligence or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders. Tenant's indemnification shall not extend to the gross negligence or willful misconduct of Landlord or the gross negligence or willful misconduct of Landlord's agents, contractors, directors, employees, officers, partners or shareholders, nor to such events and occurrences for which Landlord otherwise carries insurance coverage.

Provided that such injury or damage did not arise out of the gross negligence or willful misconduct of Landlord or the gross negligence or willful misconduct of Landlord's agents, contractors, employees, officers, partners or shareholders, Tenant shall make no claim against Landlord and Landlord shall not be liable or responsible in any way for, and Tenant hereby waives all claims against Landlord with respect to or arising out of: injury or damage to any person or property in or about the Premises by or from any cause whatsoever under the reasonable control or management of Tenant.

Section 9.4. Landlord's Hold Harmless. Landlord shall indemnify, and hold Tenant and Tenant's agents, contractors, directors, employees, officers, partners or shareholders harmless from and against any and all claims, causes of action, liabilities, losses, reasonable costs and expenses, including reasonable attorneys' fees and court costs, arising from or in connection with:

- a) any activity occurring, or condition existing, at or in the Building (other than in the Premises) when such activity or condition is under the reasonable control of Landlord, except when the same is caused in whole or in part by the negligence or willful misconduct of Tenant or Tenant's employees, agents, or contractors, or by Tenant's breach or default in the performance of any obligation under this Lease; or
- b) any activity occurring, or condition existing in the Premises when solely caused by the gross negligence or willful misconduct of Landlord or Landlord's employees, agents, or contractors.

ARTICLE 10 COMPLIANCE WITH LAWS

Section 10.1. Tenant's Compliance with Laws. Tenant shall not use, permit to be used, or permit anything to be done in or about all or any portion of the Premises which will in any way violate any laws, statutes, ordinances, rules, orders or regulations duly issued by any governmental authority having jurisdiction over the Premises, or by the Board of Fire Underwriters (or any successor thereto) (collectively "Codes"). Tenant shall also comply with all recorded covenants, conditions, and restrictions of record that now or later affect the real property upon which the Building is situated.

Section 10.2. Tenant to Comply at Sole Expense. Tenant shall, at its sole expense, promptly remedy any violation of such Codes, provided, however, that nothing contained in this Section 10.2 shall require Tenant to make any structural changes to the Premises, unless such changes are necessitated because Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders use the Premises for purposes other than general office purposes consistent with a Class A office building.

Section 10.3. Conclusive Evidence of Violation. The judgment of any court of competent jurisdiction, or Tenant's admission or the admission of any one or more of its agents, contractors, directors, employees, officers, partners or shareholders in any action against Tenant, whether or not Landlord is a party thereto, that Tenant has so violated any one or more Codes shall be conclusive evidence of such violation as between Landlord and Tenant.

ARTICLE 11 ASSIGNMENT AND SUBLETTING

Section 11.1. Permission Required for Assignment or Sublet. This Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant by operation of law without the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, nor shall Tenant:

- a) assign, mortgage, pledge, encumber or otherwise transfer this Lease, the Term and estate hereby granted or any interest hereunder;
- b) permit the Premises or any part thereof to be utilized by anyone other than Tenant (whether as by a concessionaire, franchisee, licensee, permittee or otherwise); or
- c) except as hereinafter provided, sublet or offer or advertise for subletting the Premises or any part thereof.


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Any assignment, mortgage, pledge, encumbrance, transfer or sublease without Landlord's prior written consent shall be voidable and, at Landlord's election, shall constitute a material default of this Lease.

Section 11.2. Voluntary Assignment due to Changes in Company Structure

A withdrawal or change, voluntary, involuntary, or by operation of law of any member or members owning fifty percent (50%) or more of the company, or the dissolution of the company, shall be deemed a voluntary assignment. A purported assignment, voluntary, involuntary, or by operation of law, by over 50% of the members of the limited liability company executing this Lease shall be deemed a voluntary assignment.

The provisions of this Section 11.2 shall not apply to corporations, the stock of which is traded through an exchange or over the counter, or to any corporation or any other form of entity whose net worth, as determined in accordance with sound accounting principles following any such transfer or other event described in this Section 11.2, exceeds \$1,000,000.00 and whose net pre-tax income exceeds \$750,000.00 for the current and two calendar years preceding the date such voluntary assignment occurs.

Section 11.3. Request to Assign. Except as specified hereinbelow, if at any time during the Term of this Lease, Tenant wishes to assign this Lease or any interest therein, then at least twenty (20) days prior to the date when Tenant desires the assignment to be effective, Tenant shall give written notice to Landlord setting forth the name, address, and business of the proposed assignee, information (including references) concerning the character of the proposed assignee, the effective date of the assignment, and all the material terms and conditions of the proposed assignment.

Landlord shall have fifteen (15) days after Tenant's notice is given to advise Tenant of Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed, or Landlord's disapproval of such proposed assignment. Any disapproval by Landlord shall contain Landlord's detailed reasons for such disapproval. Any consent to such assignment by Landlord shall not release Tenant from any of Tenant's obligations hereunder or be deemed to be a consent to any subsequent hypothecation, assignment, subletting, occupation or use by another person.

Section 11.4. Request to Sublet. Except as otherwise specified hereinbelow, no sublease shall be made without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. If at any time during the Term of this Lease, Tenant wishes to sublet all or any part of the Premises, then at least twenty (20) days prior to the date when Tenant desires the subletting to be effective, Tenant shall give notice to Landlord setting forth the name, address and business of the proposed sublessee, information (including references) concerning the character and financial condition of the proposed sublessee, a detailed description of the space proposed to be sublet, any rights of the proposed subtenant to use Tenant's improvements, the effective date of the proposed subletting, and all the material terms and conditions of the proposed subletting.

Landlord shall, within fifteen (15) days after Tenant's notice is given, advise Tenant of Landlord's consent or Landlord's disapproval of such proposed sublease, which consent shall not be unreasonably withheld. Tenant acknowledges that Landlord's consent shall be based upon the criteria listed in Sections 11.4 (a) through (f) below. If Landlord provides its consent or fails to provide its disapproval within the time period specified, Tenant shall be free to sublet such space to the party contained in Tenant's notice, subject to the following conditions:

- a) The sublease shall be on the same terms as were set forth in the notice given to Landlord;
- b) The sublease shall not be valid, nor shall sublessee take possession of the subleased Premises until an executed duplicate original of such sublease has been delivered to Landlord;
- c) The sublessee shall have no further right to sublet this Lease;
- d) Payment by Tenant to Landlord monthly of fifty percent (50%) of the net rental proceeds received by Tenant. Net rental proceeds shall be calculated by subtracting the Rent and Additional Rent paid to Landlord by Tenant, as well as Tenant's reasonable costs of subletting such space (such as rent abatement, fair market leasing commissions, reasonable marketing expenses, new leasehold improvements, and reasonable attorney fees and expenses), and any economic consideration received by Tenant as a result of a the sale of Tenant's business or because Tenant provides ancillary business services such as reception; secretarial or office furnishings or equipment to the sublessee, whether as denominated rentals under the sublease, or otherwise, from the total sum which Tenant shall be paid by sublessee.

Such net rental proceeds shall be payable to Landlord as Additional Rental under this Lease without affecting or reducing any other obligation of Tenant hereunder. Tenant shall deliver to Landlord a statement within forty-five (45) days after the end of each calendar year and/or within forty-five (45) days after the expiration or earlier termination of the Term of this Lease in which any sublease of the Premises has occurred, specifying for each such sublease:

- i) the date of its execution and delivery, the number of square feet of the Rentable Area demised thereby and the Term thereof, and
- ii) a computation in reasonable detail showing 1) the amounts (if any) paid and payable by Tenant to Landlord pursuant to this Section with respect to such sublease for the period covered by such statement and 2) the amounts (if any) paid and payable by Tenant to Landlord pursuant to this Section with respect to any payments received from a sublessee during such period but which relate to an earlier period.

Section 11.5. Landlord's Consent. Landlord shall not unreasonably withhold its consent to any proposed sublease or assignment (collectively a "Transfer"). Landlord and Tenant agree that, in addition to such other reasonable grounds as Landlord may assert for withholding its consent, Landlord and Tenant agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold its consent to any proposed Transfer, where any one or more of the following conditions exists:

- a) The proposed sublessee, or assignee (the "Transferee"), in Landlord's reasonable judgment, is of a character or reputation or engaged in a business which is not consistent with the quality of the Building;
- b) The Transferee intends to use the subject space for purposes which are not consistent with those generally found in other Class A buildings in the vicinity of the Building;
- c) The Transferee is either a governmental agency or instrumentality thereof;
- d) The Transfer will result in more than a reasonable and safe number of occupants per floor within the Premises;
- e) The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the sublease, if a sublessee, or the Lease, if an assignee, on the date consent is requested;
- f) The proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would give an occupant of the Building a right to cancel its lease;
- g) The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer or other similar right held by Tenant except that Tenant shall be permitted to exercise any Option to Extend the Term hereof concurrent with Tenant's request for such transfer;
- h) Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee:
 - i) is a Tenant in the Building at the time of the request for consent, unless Landlord does not have comparable space available for lease in the Building; or
 - ii) is engaged in active and on-going negotiations with Landlord to lease space in the Building at such time;
- i) The Transferee intends to use all or a portion of the Premises for medical procedures or whose primary business is as a boiler-room type sales or marketing organization.

If Landlord withholds or conditions its consent and Tenant believes that Landlord did so contrary to the terms of this Lease, Tenant may, as its sole remedy, prosecute an action for declaratory relief to determine if Landlord properly withheld or conditioned its consent, and Tenant hereby waives all other remedies, including without limitation those set forth in California Civil Code Section 1995.310.

Section 11.6. Affiliate of Tenant. Notwithstanding anything to the contrary in this Article 11 of the Lease, provided Tenant is not in default of any provisions or covenant of this Lease, Tenant may assign or sublet the Premises to a third party or separate entity which is wholly owned or controlled by Tenant or a parent company, subsidiary, division, or an affiliate of Tenant without first obtaining Landlord's consent, provided that:

- a) Tenant gives Landlord at least ten (10) days written notice prior to such assignment or sublease becoming effective;
- b) Said transfer is not a subterfuge by Tenant to avoid its obligations under the Lease; and
- c) if said transfer of Tenant's interest is accomplished through an assignment, assignee assumes in writing all of Tenant's obligations under the Lease. Notwithstanding such assumption, Tenant acknowledges and agrees that no assignment / sublease of this Lease under the terms of this Section 11.6 shall release Tenant from its obligations hereunder.

If Tenant fails to comply with the requirements of Section 11.6 (a) through (c), then any purported assignment or sublease which was made shall, at the sole option of Landlord, be made null, void and of no effect whatsoever.

Section 11.7. Tenant's Continued Obligation. Notwithstanding Landlord's consent to any transfer of this Lease, Tenant shall remain liable to pay the Rent and/or perform all other obligations to be performed by Tenant hereunder, and Tenant's obligations shall not be released or altered by such sublet or assignment. Landlord's acceptance of Rent or Additional Rent from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease. Landlord's consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

If any assignee of Tenant or any successor of Tenant defaults in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee or successor. Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with any assignee, without notifying Tenant or any successor of Tenant, and without obtaining their consent thereto. In no event shall any further assignment, sublease, amendment or modification to this Lease serve to either increase Tenant's liability or expand Tenant's duties or obligations hereunder, or relieve Tenant of its liability under this Lease.


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Section 11.8. Tenant To Pay Landlord's Costs. If Tenant assigns or sublets the Premises or requests the consent of Landlord to any assignment, subletting or other modification of this Lease, or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, whether or not Landlord shall grant consent thereto, then Tenant shall pay, within thirty (30) days after written request by Landlord, Landlord's reasonable review and processing fees, as well as any reasonable legal fees incurred by Landlord in connection therewith.

**ARTICLE 12
DAMAGE, DESTRUCTION OR RENOVATION**

Section 12.1. Damage To The Premises When Not Caused By Tenant. Tenant shall give prompt notice to Landlord of any damage to or destruction of the Premises from any cause whatsoever. If the damage or destruction to all or any part of the Premises results from fire, earthquake, or other identifiable event of a sudden, unexpected or unusual nature ("Casualty"), and the cost of repair of said Casualty shall be covered under one or more of Landlord's insurance policies as required herein, provided such damage or destruction is not a result of Tenant's gross negligence or willful misconduct or the gross negligence and/or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, Landlord shall return the Premises, including repair and/or replacement of any tenant improvements installed in the Premises to a maximum of \$35.00 per usable square foot, to its condition prior to the Casualty.

Notwithstanding the above, provided that Landlord has obtained the insurance coverage required pursuant to Section 21.1 hereinbelow, Landlord's obligation to repair or replace the Tenant Improvements installed in the Premises shall be limited to the insurance coverage available to Landlord for such replacement, and Tenant shall, at Tenant's sole expense, complete the balance of repairs needed to restore the Premises to their condition prior to the Casualty.

If repairs which Landlord is responsible to complete under this Section 12.1 can, with reasonable diligence, be made within one hundred eighty (180) days (the "Repair Period") Landlord shall complete such repairs in a manner, and at times, which do not unreasonably interfere with Tenant's use of the Premises. Provided Landlord has elected to make the repairs required hereunder, this Lease shall not be void or voidable during the Repair Period, nor shall Landlord be deemed to have constructively evicted Tenant thereby.

Section 12.2. Damage to the Premises When Caused by Tenant. If damage or destruction of all or any portion of the Premises resulted from the gross negligence and/or willful misconduct of Tenant or the gross negligence and/or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, Landlord shall not be required to repair any such injury or damage. Landlord shall only repair, at its expense, damage or destruction to the Building, and Tenant shall pay the cost of repairing the Premises and any deductible payable by Landlord for repair of the Building. Tenant hereby waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and the provisions of any successor or other law of like import.

If Landlord is making repairs to the Building or Premises due to damage arising out of Tenant's gross negligence and/or willful misconduct or the gross negligence and/or willful misconduct of Tenant's agents, contractors, directors, employees, officers, partners or shareholders, Landlord shall not be liable for any inconvenience or annoyance to Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, or for injury to the business of Tenant resulting in any way from such damage, or from Landlord's undertaking of such repairs. Landlord shall have no obligation and shall not carry insurance of any kind on Tenant's goods, furniture or furnishings or on Tenant's Property, nor shall Landlord be obligated to repair any damage thereto or to replace the same.

Section 12.3. Repair Period Notice. The time periods specified in this Section 12.3. shall commence after Landlord receives written notice from Tenant of occurrence of a Casualty. After receipt of such notice, Landlord, within the later of:

- a) sixty (60) days after the date on which Landlord determines the full extent of the damage caused by the Casualty; or
- b) thirty (30) days after Landlord has determined the extent of the insurance proceeds available to effectuate repairs, and
- c) in no event more than one hundred and twenty (120) days after the Casualty,

shall provide written notice to Tenant indicating the anticipated repair period for repairing the Casualty (the "Repair Period Notice"). The Repair Period Notice shall also state, if applicable, Landlord's election either to repair the Premises, or to terminate the Lease, pursuant to the provisions of Section 12.7, and if Landlord elects to terminate this Lease, Landlord shall use its best efforts to provide Tenant with a minimum period of ninety (90) days within which to vacate the Premises.

Section 12.4. Rent Abatement Due to Casualty. Landlord and Tenant agree that if the Casualty was not the result of the gross negligence or willful misconduct of Tenant or the gross negligence and/or willful misconduct of Tenant's contractors, directors, employees, licensees, officers, partners or shareholders, Tenant shall be provided with a proportionate abatement of Monthly Fixed Rent and Additional Rent, based on the Usable Square Footage of the Premises that cannot and is not actually used by Tenant. That proportional abatement, if any, shall be provided during the period beginning on the later of:

- a) the date of the Casualty; or
- b) the actual date on which Tenant ceases to occupy the Premises,


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and shall end on the date of Landlord's substantial completion of its restoration obligations as provided in this Article 12.

Subject to Section 12.8, the abatement of Rent provided in this Section 12.4 is Tenant's sole remedy due to the occurrence of the Casualty. Landlord shall not be liable to Tenant or any other person or entity for any direct, indirect, or consequential damage (including but not limited to lost profits of Tenant or loss of or interference with Tenant's business), whether or not caused by the gross negligence of Landlord or Landlord's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, due to, arising out of, or as a result of the Casualty (including but not limited to the termination of the Lease in connection with the Casualty).

Section 12.5. Landlord's Failure to Repair the Premises. If:

- a) Landlord does not complete the repairs required hereinabove within the Repair Period, and
- b) further provided Landlord has not diligently commenced and continued to prosecute to completion repair of the damage and/or destruction caused by the Casualty, and
- c) Landlord has not completed the repairs thereafter on or before sixty (60) days after the expiration of the Repair Period, then

Tenant shall have the option, but not the obligation to terminate this Lease by giving Landlord written notice of its intention to so terminate, which notice shall be given not more than forty-five (45) days after expiration of the Repair Period. If Tenant fails to give Landlord such termination notice, this Lease shall continue in full force and effect until such time as Landlord has completed the repairs required hereunder.

Section 12.6. Damage to the Building. Except as specified hereinbelow in Section 12.7, unless more than thirty three and one-third percent (33-1/3%) of the Building is destroyed, Landlord shall be obligated to make repairs to the Building, parking structure or other supporting structures and facilities within one hundred and eighty (180) days after Landlord becomes aware of such damage and/or destruction.

If more than thirty-three and one-third percent (33 1/3%) of the Building is damaged or destroyed, whether or not the Premises is affected, and provided Landlord elects to terminate all other leases in the Building, Landlord may elect to terminate this Lease by providing Tenant no less than sixty (60) days prior written notice of its intention to so terminate.

If one hundred percent of the Building is damaged or destroyed, as certified by an independent building inspector, this Lease shall automatically terminate after Tenant's receipt of written notice of such termination from Landlord, and without action beyond the giving of such notice being required by either Landlord or Tenant.

Section 12.7. Landlord's Option to Terminate or Repair. Notwithstanding the terms contained hereinabove in this Article 12, Landlord may elect not to rebuild or restore the Premises and/or the Building if one or more of the following conditions is present:

- a) If the Casualty is to the Premises, and repairs cannot reasonably be completed within one hundred and eighty (180) days of the date of damage (when such repairs are made without the payment of overtime or other premiums);
- b) repairs required cannot be made pursuant to the then-existing laws or regulations affecting the Premises or Building, or the Building cannot be restored except in a substantially different structural or architectural form than existed before the Casualty;
- c) the holder of any mortgage on the Building or ground or underlying lessor with respect to the Real Property and/or the Building shall require that such a portion of the insurance proceeds be used to retire the mortgage debt so that the balance remaining shall be insufficient to repair said damage or destruction, or shall terminate the ground or underlying lease, as the case may be;
- d) provided Landlord has carried the coverage required in Section 21.1 of this Lease, the damage is not fully covered, except for deductible amounts, by Landlord's insurance policies;
- e) the Premises or the Building is destroyed or damaged to any substantial extent during the last eighteen (18) months of the Term.

If Landlord elects not to complete repairs to the Building or Premises, pursuant to this Section 12.7, Landlord's election to terminate this Lease shall be stated in the Repair Period Notice, in which event this Lease shall cease and terminate as of the date of the Repair Period Notice.

Upon any termination of this Lease pursuant to this Section 12.7, Tenant shall pay its prorata share of Fixed and Additional Rent, properly apportioned up to such date of termination, then due, after which both Landlord and Tenant shall thereafter be freed and discharged of all further obligations under the Lease, except for those obligations which by their provisions survive the expiration or earlier termination of the Lease Term.

Section 12.8. Tenant's Option to Terminate. If

- a) the Repair Period Notice provided by Landlord indicates that the anticipated period for repairing the Casualty whether to the Premises, or in the event of damage to the Building which materially interferes with Tenant's access, parking or reasonable use of the Premises exceeds one hundred and eighty (180) days, or
- b) The Casualty to the Premises occurs during the last nine (9) months of this Lease; then


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Tenant may elect to terminate this Lease by providing written notice ("Tenant's Termination Notice") to Landlord within sixty (60) days after receiving the Repair Period Notice in the case of 12.8 (a); or 30 days after the occurrence of either event specified in Sections 12.8 (b) or (c). If Tenant does not provide Landlord with Tenant's Termination Notice within said sixty (60) day period, Tenant shall be considered to have waived the option to terminate this lease.

Section 12.9. Government-Required Repairs. If, during the Term, additional inspections other than those standard annual or biannual inspections to which the Building may generally be subject; testing, repairs and/or reconstruction (collectively the "Work") is required by any governmental authority, or if Landlord independently elects to undertake any part of the Work upon the recommendation of its engineers prior to being required to do so by such governmental authority, Landlord shall give notice thereof to Tenant and shall use its best efforts not to unreasonably interfere with Tenant's use of the Premises in connection with the Work. Tenant shall cooperate fully with Landlord in connection with the Work and, upon the prior written request of Landlord, shall make the Premises available for completion of the Work. Landlord agrees that all costs associated with completion of the Work shall be excluded from the Building's Operating Expenses as defined in Section 3.1 of this Lease.

If Landlord elects to undertake such Work during the Term, then Landlord shall be completely responsible for repair of any damage to the Premises and all costs associated with the removal, moving and/or storage of Tenant's furniture, artwork, office equipment and files. Landlord will restore any and all areas damaged by completion of the Work to their previous quality and pay all clean-up costs. Landlord further agrees that it shall use commercially reasonable efforts to see that all construction, such as coring or power nailing that could be disruptive to Tenant's normal business operations shall, in so far as is reasonably possible, be performed during the hours of 7:00 p.m. to 7:00 a.m. Monday through Friday; after 1:00 p.m. on Saturdays and/or at any time on Sundays.

Under no circumstances shall Tenant have the right to terminate this Lease as a result of the Landlord undertaking the Work, nor shall Tenant or any third party claiming under Tenant be entitled to make any claim against Landlord for any interruption, interference or disruption of Tenant's business or loss of profits therefrom as a result of the Work. Tenant hereby releases Landlord from any claim which Tenant may have against Landlord arising from or relating to, directly or indirectly, the performance of the Work by Landlord.

If available, and if requested by Tenant, Landlord shall make available to Tenant during the period of such Work other space in the Building which, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business. However, if such temporary space is smaller than the Premises, Tenant shall pay Monthly Fixed Rent and Additional Rent for the temporary space based upon the calculated rate per rentable square foot payable hereunder for the Premises, times the number of rentable square feet available for Tenant's use in the temporary space. If no temporary space is available that is reasonably satisfactory to Tenant, and any part of the Premises is rendered untenantable by reason of such Work, then the Monthly Fixed Rent, Additional Rent and parking charges payable hereunder shall be proportionately abated from the date such Work commences until the date when Landlord has completed repairs on the untenantable portion of the Premises.

Section 12.10. Optional Landlord Renovation. It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in Exhibit B, if any.

However, Tenant acknowledges that, at any time and from time to time during the Term, Landlord may renovate, improve, alter or modify the Building and/or Premises including without limitation, the parking facilities, common areas, systems, equipment, roof, and structural portion of the same, which Renovations may include, without limitation:

- a) modifying the common areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions and building safety and security and
- b) installing new carpeting, lighting and wall covering in the Building common areas (collectively, "the "Renovations").

In connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Building, common areas or parking facilities serving the Building, or perform other work in the Building, which work may create noise, dust or debris that remains in the Building.

Landlord shall have the right to access through the Premises as well as the right to take into and upon and through all or any part of the Premises, or any other part of the Building, all materials that may reasonably be required to make such repairs, alterations, decorating, additions or improvements pursuant to the provisions of this Section 12.10. So long as Tenant shall maintain reasonable access to the Premises, Building and parking facilities, Landlord shall also have the right, in the course of the Renovations, to close entrances, doors, corridors, elevators, or other building facilities, or temporarily to abate the operation of such facilities.

So long as Tenant is not required to vacate the Premises for any reason arising out of the Renovations, and maintains reasonable access to the Premises, Tenant shall permit all of the Renovations to be done, and except in the case of Landlord's gross negligence or willful misconduct or the gross negligence or willful misconduct of Landlord's contractors, directors, employees, officers, partners or shareholders, without claiming Landlord is guilty of the constructive eviction or disturbance of Tenant's use and possession.


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Further, except in the case of Landlord's gross negligence or willful misconduct, or that of its agents, contractors, employees, officers, partners or shareholders, Landlord shall not be liable to Tenant in any manner, whether for reimbursement of any expense, injury, loss or damage to Tenant's property, business, or any person claiming by or under Tenant, and whether by reason of interference with the business of Tenant or inconvenience or annoyance to Tenant or the customers of Tenant resulting from any work done in or about the Premises or the Building or to any adjacent or nearby building, land, street or alley.

The Rent reserved herein shall abate in proportion to any portion of the Premises from which Tenant is reasonably prevented from conducting its normal business operations while said repairs, alterations, decorating, additions or improvements are being made, but Tenant shall not be entitled to maintain any set-off or counter-claim for damages of any kind against Landlord by reason thereof, all such claims being hereby expressly released by Tenant unless caused by Landlord's gross negligence or willful misconduct or that of its agents, contractors, directors, employees, officers, partners or shareholders.

Notwithstanding the above, Landlord agrees that all such work shall be scheduled insofar as is reasonably possible to permit Tenant to continue its normal business operations, with advance notice thereof, and in such commercially reasonable manner as to cause Tenant the least inconvenience reasonably practicable.

Section 12.11. Express Agreement. The provisions of this Lease, including those contained in this Article 12, constitute an express agreement between Landlord and Tenant that applies in the event of any Casualty to the Premises, Building or Real Property. Tenant, therefore, fully waives the provisions of any statute or regulations, including California Civil Code Sections 1932(2) and 1933(4), and any other law or statute which purports to govern the rights or obligations of Landlord and Tenant concerning a Casualty in the absence of express agreement. Tenant and Landlord expressly agree and accept that any successor or other law of like import shall have no application hereunder.

ARTICLE 13 CONDEMNATION

Section 13.1. Condemnation of the Premises. If more than twenty five percent (25%) of the Premises is lawfully condemned or taken in any manner for any public or quasi-public use, or if such portions of the Building are condemned or taken in any manner that results in Tenant being unable to obtain reasonable access to the Building, the Premises or the parking facilities, this Lease may be terminated at the option of either Landlord or Tenant by one party giving the other thirty (30) days written notice of its intent to do so, and the term and estate hereby granted shall forthwith cease and terminate as of the earlier of the date of vesting of title in such condemnation or taking or the date of taking of possession by the condemning authority.

If less than twenty-five percent (25%) of the Premises is so condemned or taken, then the term and estate hereby granted with respect to such part shall forthwith cease and terminate as of the earlier of the date of vesting of title in such condemnation or taking or the date of taking of possession by the condemning authority, and the Monthly Fixed Rent payable hereunder (and Additional Rent payable pursuant to Article 3) shall be abated on a prorata per square foot basis for the period from the date of such vesting of title to the date specified in this Lease for the expiration of the Term hereof.

Notwithstanding the above, if any vacant space remains in the Building, Landlord shall provide Tenant a first right of offer to lease such vacant space on the same terms and conditions as are contained in this Lease, in which case this Lease shall be amended to replace the Premises with such vacant space.

Section 13.2. Condemnation of the Building. If less than twenty-five percent (25%) of the Building is so condemned or taken, then Landlord shall, to the extent of the proceeds of the condemnation payable to Landlord and with reasonable diligence, restore the remaining portion of the Premises as nearly as practicable to its condition prior to such condemnation or taking; except that, if such proceeds constitute less than ninety percent (90%) of Landlord's estimate of the cost of rebuilding or restoration, then Landlord may terminate this Lease on notice to Tenant.

If more than twenty-five percent of the Building is so condemned or taken, but the Premises are unaffected thereby, then Landlord shall have the option, in Landlord's sole discretion, to terminate this Lease effective the earlier of the date of vesting of title in such condemnation.

Section 13.3. Award. If any condemnation or taking of all or a part of the Building takes place, Tenant shall be entitled to join in any action claiming compensation therefor, and Landlord shall be entitled to receive that portion of the award made for the value of the Building, Premises, leasehold improvements made or reimbursed by Landlord, or bonus value of the Lease, and Tenant shall be entitled to receive any award made for the value of the estate vested by this Lease in Tenant, including Tenant's proximate damages to Tenant's business and reasonable relocation expenses. Nothing shall preclude Tenant from intervening in any such condemnation proceeding to claim or receive from the condemning authority any compensation to which Tenant may otherwise lawfully be entitled in such case in respect of Tenant's property or for moving to a new location.

Section 13.4. Condemnation for a Limited Period. Notwithstanding the provisions of Section 13.1, 13.2 or 13.3, if all or any portion of the Premises are condemned or taken for governmental occupancy for a limited period, anticipated to be no longer than sixty (60) days nor during the final year of this Lease, then this Lease shall not terminate, there shall be no abatement of fixed or Additional Rent payable hereunder and Tenant shall be entitled to receive the entire award therefor (whether paid as damages, rent or otherwise).


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If all or any portion of the Premises are condemned or taken for governmental occupancy for a limited period anticipated to be in excess of sixty (60) days, during the final year of this Lease, or for a period extended after the expiration of the initial term, Tenant shall have the option to terminate this Lease, in which case, Landlord shall be entitled to such part of such award as shall be properly allocable to the cost of restoration of the Premises, and the balance of such award shall be apportioned between Landlord and Tenant as of the date of such termination.

If the termination of such governmental occupancy is prior to expiration of this Lease, and Tenant has not elected to terminate hereunder, Tenant shall, upon receipt thereof and to the extent an award has been made, restore the Premises as nearly as possible to the condition in which they were prior to the condemnation or taking.

ARTICLE 14 ACCIDENTS TO SANITARY AND OTHER SYSTEMS

Section 14.1. Damaged or Defective Systems. Tenant shall give written notice to Landlord within twenty-four (24) hours of any alleged damage to, or defective condition in any part or appurtenance of the Building's sanitary, electrical, heating, air conditioning, ventilating or other systems serving, located in, or passing through, the Premises. Provided that the repair or remedy of said damage or defective condition is within the reasonable control of Landlord, it shall be remedied by Landlord with reasonable diligence. Otherwise, Landlord shall make such commercially reasonable efforts as may be available to Landlord to effect such remedy or repair, but in no event shall Landlord be liable to Tenant for any failure thereof.

Tenant shall not be entitled to claim any damages arising from any such damage or defective condition nor shall Tenant be entitled to claim any eviction by reason of any such damage or defective condition unless the same was caused by Landlord's gross negligence or willful misconduct while operating or maintaining the Premises or the Building; the damage or defective condition has substantially prevented Tenant from conducting its normal business operations or obtaining access to at least seventy-five percent (75%) of the Premises, and Landlord shall not have commenced the remedy thereof and proceeded with reasonable diligence to complete the same after Landlord's receipt of notice thereof from Tenant.

However, if such damage or defective condition (other than any such damage with respect to which Tenant is relieved from liability pursuant to Section 21.4) was caused by, or is attributed to, Tenant Changes or the unreasonable or improper use of such system(s) by Tenant or its employees, licensees or invitees, the cost of the remedy thereof shall be paid by Tenant upon demand, Tenant shall not be entitled to any abatement of rent as specified above, and Tenant shall be estopped from making any claim for damages arising out of Landlord's repair thereof.

ARTICLE 15 MORTGAGE SUBORDINATION; ATTORNMENT

Section 15.1. Subordination. This Lease and the term and estate hereby granted are and shall be subject and subordinate to the lien of each mortgage which may now or at any time hereafter affect Landlord's interest in the Building and/or the land thereunder (an "underlying mortgage"), regardless of the interest rate, the terms of repayment, the use of the proceeds or any other provision of any such mortgage. Tenant shall from time to time execute and deliver such instruments as Landlord or the holder of any such mortgage may reasonably request to confirm the subordination provided in this Section 15.1.

Section 15.2. Attornment. Tenant confirms that if by reason of a default under an underlying mortgage the interest of Landlord in the Premises is terminated, provided Tenant is granted in writing continued quiet enjoyment of the Premises pursuant to the terms and provisions of this Lease, Tenant shall attorn to the holder of the reversionary interest in the Premises and shall recognize such holder as Tenant's landlord under this Lease. Tenant shall execute and deliver, at any time and from time to time, upon the request of Landlord or of the holder of an underlying mortgage any instrument which may be necessary or appropriate to evidence such attornment and Tenant hereby irrevocably appoints Landlord or such holder as its attorney-in-fact to execute and deliver for and on behalf of Tenant any such instrument.

Section 15.3. Modification of Lease. If any current or prospective mortgagee or ground lessor for the Building requires a modification or modifications of this Lease, which modification or modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are required therefore and deliver the same to Landlord within ten (10) days following the request therefor. Should Landlord or any such current or prospective mortgagee or ground lessor require execution of a short form of Lease for recording, containing, among other customary provisions, the names of the parties, a description of the Premises and the Term, Tenant agrees to execute such short form of Lease and deliver the same to Landlord within ten (10) days following the request therefor.

Section 15.4. Non-Disturbance. If from time to time during the Term, but no more than once in any calendar year, Tenant desires a Non-Disturbance Agreement, Tenant shall submit to Landlord the following:

- a) Tenant's written request for a Non-Disturbance Agreement, and
- b) Tenant's check made payable to the lender for lender(s)' estimated processing fees.


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Landlord shall then use commercially reasonable efforts to obtain a Non-Disturbance Agreement for Tenant from such lender(s). All Non-Disturbance Agreements entered into between lender, Landlord, and Tenant, shall be at Tenant's sole expense. Tenant acknowledges and accepts that Landlord has no control over any lender's required processing fees or failure to respond to such a request, and Tenant acknowledges that such fees may be subject to change at any time without notice to Landlord or Tenant. Therefore, in the event the deposit paid by Tenant towards lender(s)' processing fees is inadequate, Tenant agrees to deposit with Landlord the additional cost required by Lender, and Tenant's failure to make such deposit shall be deemed conclusive evidence of Tenant waiving its requirement for a non-disturbance agreement.

Section 15.5. Non-existence of Non-Disturbance Agreement. In the event a Non-Disturbance Agreement does not exist in favor of Tenant, this Lease shall not be subordinate to any interest which may hereafter arise in the Building and/or the land thereunder unless the holder of such future interest specifically recognizes this Lease and agrees that it shall remain in full force and effect, so that Tenant is permitted to remain in quiet and peaceful possession of the Premises in exact accordance with the provisions of this Lease.

ARTICLE 16 NOTICES

Section 16.1. Notices. Any notice, consent, approval, agreement, certification, request, bill, demand, statement, acceptance or other communication hereunder (a "notice") shall be in writing and shall be considered duly given or furnished when a) delivered personally or by messenger or overnight delivery service; b) two (2) business days after being mailed in a postpaid envelope (registered, certified or otherwise, with or without return receipt) addressed to Landlord as set forth in the Basic Lease Information and to Tenant at the Premises (or Tenant's address in the Basic Lease Information if mailed prior to Tenant's occupancy of the Premises), or to such other address or addressee as either party may designate by a notice given pursuant hereto, or c) upon confirmation of good transmission if sent via facsimile machine to such phone number as shall have been provided in writing by Landlord or Tenant, one to the other. Tenant hereby appoints as its agent to receive the service of all dispossession or distraint proceedings and notices thereunder the person in charge of or occupying the Premises at the time, and if no person shall be in charge of or occupy the same, then such service may be made by attaching the same to the main entrance of the Premises.

ARTICLE 17 RIGHT TO PERFORM TENANT'S COVENANTS, ETC.

Section 17.1. Tenant's Default. If Tenant defaults under this Lease, Landlord may cure the same at the expense of Tenant:

- a) immediately and without notice in the case of emergency or in case such default unreasonably interferes with the use by any other tenant of the Building; with the efficient operation of the Building; or will result in a violation of law or in a cancellation of any insurance policy maintained by Landlord, and
- b) in any other case if such default continues after twenty-five (25) days from the date of the giving by Landlord to Tenant of notice of Landlord's intention so to perform the same, or, in the case of such a default which for causes beyond Tenant's reasonable control cannot with due diligence be cured within such twenty-five (25) day period, such twenty-five (25) day period shall be deemed extended if Tenant:
 - i) shall immediately upon the receipt of such notice advise Landlord of Tenant's intention to institute all steps necessary to cure such default, and
 - ii) shall institute and thereafter with reasonable dispatch prosecute to completion all steps necessary to cure the same.

Section 17.2. Certain Payments. Bills for all reasonable costs and expenses incurred by Landlord in connection with any performance by it under Section 17.1 shall be payable on demand, and shall be deemed Additional Rent hereunder.

Section 17.3. Certain Waivers. Unless Tenant has submitted documentation of a valid dispute with the payment of Monthly Fixed Rent hereunder or is completing an audit of Landlord's Operating Expense billing, if Tenant is in default in payment of Monthly Fixed Rent or Additional Rent, Tenant waives Tenant's right, if any, to designate the items against which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to any items Landlord sees fit.

Section 17.4. Certain Rent. If any cost, expense, charge, amount or sum (other than Monthly Fixed Rent) payable by Tenant as provided in this Lease is not paid when due, the same shall be due and payable by Tenant as Additional Rent hereunder.

ARTICLE 18 ESTOPPEL CERTIFICATES

Section 18.1. Estoppel Certificates. Tenant shall, within ten (10) business days after receipt of Landlord's written request therefor, execute, acknowledge and deliver to Landlord an Estoppel Certificate, which may be conclusively relied upon by any prospective purchaser, mortgagee or beneficiary under any deed of trust covering the Building or any part thereof. Said Estoppel Certificate shall certify the following:

- a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification);

- b) the date, if any, to which rental and other sums payable hereunder have been paid;
- c) that no notice has been received by Tenant of any default which has not been cured, except as to defaults specified in the certificate;
- d) that Landlord is not in default under this Lease or, if so, specifying such default; and
- e) such other matters as may be reasonably requested by Landlord.

Tenant's failure to deliver the Estoppel Certificate within the time period specified above shall constitute a material default under the Lease, and Landlord shall have the option, but not the obligation, to enforce the remedies contained in Article 20.

**ARTICLE 19
EVENTS OF DEFAULT**

Section 19.1. Tenant's Default. Tenant's continued occupancy and quiet enjoyment of the Premises and this Lease and the covenants and estate hereby granted are subject to the limitation that:

- a) if Tenant defaults in the payment of any Monthly Fixed Rent or Additional Rent on any date upon which the same becomes due, or
- b) if Tenant abandons the Premises and fails to provide Landlord a valid address upon which service to Tenant can be perfected under California state law and/or fails to continue to pay the Monthly Fixed Rent and Additional Rent payable hereunder, or
- c) if Tenant defaults in the keeping, observance or performance of any covenant or agreement set forth in Article 6 or in Sections 9.1 or 9.4, and if such default continues and is not cured by Tenant before the expiration of Landlord's written 3-Day Notice to Cure or Quit; or
- d) if Tenant defaults in the keeping, observance or performance of any covenant or agreement including any provisions of the rules and regulations referred to in Section 9.3 (other than a default of the character referred to in paragraphs a), b) or c) of this Section 19.1), and if such default continues and is not cured by Tenant within twenty-five (25) days after Landlord has given to Tenant a notice specifying the same, or, in the case of such a default which for causes beyond Tenant's reasonable control (including occupancy of a sublessee) cannot with due diligence be cured within such period of twenty-five (25) days, if Tenant:
 - i) does not, promptly upon Tenant's receipt of such notice, advise the Landlord of Tenant's intention duly to institute all steps necessary to cure such default or
 - ii) does not duly institute and thereafter diligently prosecute to completion all steps (including, if appropriate, legal proceedings against a defaulting sublessee) necessary to cure the same, or
- e) if Tenant fails to deliver the Estoppel Certificate required under Article 18 hereof within the time period specified, or
- f) if Tenant:
 - i) applies for or consent to the appointment of, or the taking of possession by a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property;
 - ii) admits in writing its inability, or is generally unable, to pay its debts as such debts become due;
 - iii) makes a general assignment for the benefit of its creditors;
 - iv) commences a voluntary case under federal bankruptcy laws (as now or hereafter in effect);
 - v) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts;
 - vi) fails to controvert in a timely or appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under such bankruptcy laws;
 - vii) take any action for the purpose of effecting any of the foregoing, or
- g) if a proceeding or case is commenced, without the application or consent of Tenant, in any court of competent jurisdiction, seeking:
 - i) the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, of Tenant; or
 - ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Tenant or of all or a substantial part of its assets; or
 - iii) similar relief with respect of Tenant under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) days, or an order for relief against Tenant shall be entered in an involuntary case under such bankruptcy laws, or
- h) if Tenant fails to take possession of and move into the Premises within fifteen (15) calendar days after Landlord tenders the same in writing to Tenant, unless Tenant acknowledges and accepts the Commencement Date as occurring within such fifteen-day time period, and pays Rent thereon from such Commencement Date;

then, in any or each such event, Tenant shall be deemed to have committed a material default under this Lease and Landlord shall, in addition to any other remedies available to it at law or in equity, be entitled to give to Tenant a written notice of intention to terminate this Lease at the expiration of three (3) days from the date of the giving of such notice, and, if such notice is given and Tenant fails to cure


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the defaults specified therein, this Lease and the term and estate hereby granted (whether or not the Commencement Date has already occurred) shall terminate upon the expiration of such three (3) day period, with the same effect as if the last of such three (3) days were the expiration of the Term, except that Tenant shall remain liable for damages as provided herein or pursuant to law.

If the term "Tenant", as used in this Lease, refers to more than one person, then, as used in this Section 19.1, such term shall be deemed to include all of such persons or any one of them; if any of the obligations of Tenant under this Lease is guaranteed, the term "Tenant", as used in Section 19.1 (e) and 19.1 (f), shall be deemed to include also the guarantor or, if there be more than one guarantor, all or any one of them; and if this Lease has been assigned, the term "Tenant", as used in Sections 19.1 (a) through (f), inclusive, shall be deemed to include the assignee and the assignor of either of them under any such assignment unless Landlord shall, in connection with such assignment, release the assignor from any further liability under this Lease, in which event the term "Tenant", as used in said subparagraphs, shall not include the assignor so released.

Section 19.2. Landlord Default. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless:





- a) in the event such default is with respect to the payment of money, Landlord fails to pay such unpaid amounts within five (5) business days of written notice from Tenant that the same was not paid when due, or
- b) in the event such default is other than the obligation to pay money, Landlord fails to perform such obligation within twenty-five (25) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than twenty-five (25) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) days period and thereafter diligently pursue the same to completion.

Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

ARTICLE 20 DAMAGES; REMEDIES; RE-ENTRY BY LANDLORD; ETC.

Section 20.1. Damages. If this Lease terminates pursuant to Article 19 (a "Default Termination"),

- a) Landlord may recover from Tenant the total of:
 - i) the worth at the time of award of the unpaid Monthly Fixed Rent and Additional Rent earned to the date of such Default Termination;
 - ii) the worth at the time of award of the amount by which the unpaid Monthly Fixed Rent and Additional Rent which would have been earned after the date of such Default 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 of the amount by which the unpaid Monthly Fixed Rent and Additional Rent which would have been earned for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;
 - iv) any other amount necessary to compensate Landlord for all of the detriment proximately caused by Tenant's failure to observe or perform any of its covenants and agreements under this Lease or which in the ordinary course of events would be likely to result therefrom, including, without limitation, the payment of the reasonable expenses incurred or paid by Landlord in re-entering and securing possession of the Premises and in the reletting thereof (including, without limitation, altering and preparing the Premises for new tenants and brokers' commission); and
 - v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable California laws.
- b) The "worth at the time of award" is computed:
 - i) in paragraphs (a)(i) and (a)(ii) above, by allowing interest at the rate of ten percent (10%) per annum (but in no event in excess of the maximum rate permitted by law); and
 - ii) in paragraph (a)(iii) above, by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).
- c) For purposes of computing unpaid rental which would have accrued and become payable under this Lease, unpaid rental shall consist of the sum of:
 - i) the total Monthly Fixed Rent for the balance of the Term, plus
 - ii) a computation of the Tenant's Share of Additional Rent due under the Lease including, without limitation, Tenant's share of operating expenses (including real estate taxes) for the balance of the Term. For purposes of computing increases such Additional Rent for the calendar year of the default and each future calendar year in the Term shall be assumed to be equal to the Additional Rent for the calendar year prior to the year in which default occurs compounded at a rate equal to the mean average rate of inflation for the preceding five calendar years as determined by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index (All Urban Consumers, all items, 1982-84 equals 100) for the metropolitan area or

   
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region of which Los Angeles, California is a part. If such index is discontinued or revised, the average rate of inflation shall be determined by reference to the index designated as the successor or substitute index by the government of the United States.

Section 20.2. Re-Entry by Landlord.

- a) If any Default Termination or any default specified in paragraphs (a) through (f) of Section 19.1 occurs and is continuing beyond the period of grace (if any) therefor, Landlord or Landlord's authorized representatives may re-enter the Premises and remove all persons and all property therefrom either by summary dispossession proceedings or by any suitable action or proceeding at law, without being liable to indictment, prosecution or damages therefor, and repossess and enjoy the Premises. No re-entry or repossession of the Premises by Landlord or its representatives under this Section 20.2 shall be construed as an election to terminate this Lease unless a notice of such election is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. The words "re-enter", "re-entry" and "re-entering" as used herein are not restricted to their technical legal meanings.
- b) If any default specified in paragraphs (a) through (f) of Section 19.1 occurs and continues beyond the period of grace (if any) therefor, then if Landlord does not elect to terminate this Lease Landlord may, from time to time and without terminating this Lease, enforce all its rights and remedies under this Lease, including the right to recover the Monthly Fixed Rent and Additional Rent as the same becomes payable by Tenant hereunder.

If Landlord so elects, Tenant shall have the right to sublet the Premises or any part thereof upon obtaining Landlord's prior consent (which consent Landlord agrees will not be unreasonably withheld) and upon first complying with the provisions of Section 11. So long as Landlord is exercising this remedy it will not terminate Tenant's right to possession of the Premises, but it may engage in the acts permitted by Section 1951.4(c) of the California Civil Code.

- c) If Tenant abandons the Premises in breach of this Lease, Landlord shall have the right to relet the Premises or any part thereof on such terms and conditions and at such rentals as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs in and to the Premises necessary to reletting. If Landlord so elects to relet, then gross rentals received by Landlord from the reletting shall be applied:
- i) first, to the payment of the reasonable expenses incurred or paid by the Landlord in re-entering and securing possession of the Premises and in the reletting thereof (including, without limitation, altering and preparing the Premises for new tenants and brokers' commissions);
 - ii) second, to the payment of the Monthly Fixed Rent and Additional Rent payable by Tenant hereunder; and
 - iii) third, the remainder, if any, to be retained by Landlord and applied to the payment of future Monthly Fixed Rent and Additional Rent as the same become due. Should the gross rentals received by Landlord from the reletting be insufficient to pay in full the sums stated in clauses first and second above, Tenant shall, upon demand, pay the deficiency to Landlord.

Section 20.3. Certain Waivers. After Landlord has actually obtained possession of the Premises pursuant to any lawful order of possession granted in a valid court of law, Tenant thereafter waives and surrenders for Tenant and for all claiming under Tenant all right and privilege now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises or to have a continuance of this Lease for the Term hereof after Tenant is dispossessed or ejected therefrom by process of law or under the terms of this Lease. Tenant also waives the provisions of any law relating to notice and/or delay in levy of execution in case of an eviction or dispossession for nonpayment of rent, and of any successor or other law of like import.

Section 20.4. Cumulative Remedies. The remedies of Landlord provided for in this Lease are cumulative and are not intended to be exclusive of any other remedies to which Landlord may be lawfully entitled. The exercise by Landlord of any remedy to which it is entitled shall not preclude or hinder the exercise of any other such remedy.

**ARTICLE 21
INSURANCE**

Section 21.1. Landlord Obligations: Landlord agrees to at all times secure from a company holding a Best's rating of A-7 or better and admitted to do business in the State of California, and maintain during the entire Term of this Lease the following coverage:

- a) A Commercial General Liability policy with extended Risk endorsements and a combined single limit of Two Million Dollars (\$2,000,000).
- b) An All Risk policy of standard fire and extended coverage, with vandalism and malicious mischief endorsements, covering full replacement value of the Building, the parking facilities, common area improvements and any and all improvements installed in, on or upon the Premises and affixed thereto, provided that the premium cost therefor for coverage of the Premises in excess of a value equal to thirty-five Dollars (\$35.00) per usable square foot of the Premises shall be directly reimbursed from Tenant to Landlord, pursuant to the provisions of Section 3.3 of this Lease.

Section 21.2. Tenant Obligations. Tenant shall, within five (5) days prior to the earlier of the Commencement Date or Tenant's anticipated early possession date of the Premises, secure from a company holding a Best's rating of A-7 or better, and admitted to do business in the State of California, and maintain during the entire Term the following coverage:


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- a) A Commercial General Liability policy, with extended Risk endorsements and a combined single limit of Two Million Dollars (\$2,000,000), or alternatively Tenant shall be permitted to purchase a primary policy equal to One Million Dollars (\$1,000,000.00), with an Umbrella policy for an additional One Million Dollars (\$1,000,000.00).
- b) An All Risk policy of standard fire and extended coverage, with vandalism and malicious mischief endorsements, covering the full replacement value of its personal property, for losses occurring in, on, or about the Premises. The proceeds from any such policy shall first be used by Tenant for the replacement of the personal property so damaged or destroyed; and
- c) A policy of insurance covering Tenant's losses from interruption of Tenant's normal business activities.

Each and every policy which Tenant is to provide shall specifically include the liability assumed by Tenant pursuant to the provisions of this Lease (provided that the amount of such insurance shall not serve to limit the liability of Tenant hereunder), and shall be primary insurance for such liability, and not excess over or contributory with any other existing or new insurance in force for or on behalf of Landlord. Each policy shall not eliminate cross-liability and shall contain a severability of interest clause.

Section 21.3. Compliance with Building Insurance Requirements. Tenant shall not knowingly violate or permit the violation of any condition imposed by such standard fire insurance policies as are normally issued for office buildings in the City or County in which the Building is located. Tenant shall not do, suffer or permit anything to be done, or keep, suffer or permit anything to be kept, in the Premises which would increase the risk ratings or premium calculation factors on the Building or property therein (collectively an "Increased Risk"), or which would result in insurance companies of good standing refusing to insure the Building or any property appurtenant thereto in such amounts and against such risks as Landlord may reasonably determine from time to time are appropriate.

Notwithstanding the above, if additional insurance is available to cover such Increased Risk, Tenant shall not be in default hereunder if:

- a) Tenant authorizes Landlord in writing to obtain such additional insurance; and
- b) prepays the annual cost thereof to Landlord for such additional coverage, as well as the additional costs, if any, of any increase in Landlord's other insurance premiums resulting from the existence or continuance of such Increased Risk;

Section 21.4. Additional Insureds. Tenant agrees that Landlord shall be named as an additional insured or loss payee on the aforementioned policies of insurance, as appropriate in the insurance industry.

Section 21.5. Waiver of Subrogation. Provided Landlord and Tenant have each and both obtained the policies of insurance required pursuant to the provisions of Section 21.1 and 21.2 hereinabove, Tenant and Landlord agree that if a loss occurs due to any of the perils for which they are required hereunder to provide insurance, that each party shall look solely to the insurance policies covering such loss or risk for recovery. Landlord and Tenant hereby grant to each other, on behalf of any insurer providing insurance to either of them with respect to the demised premises, a waiver of any right of subrogation which any such insurer of one party may acquire against the other by virtue of payment of any loss under such insurance.

If either Landlord or Tenant fails to provide the insurance policy or policies required hereinabove, the waiver of subrogation contained in this Section 21.4 shall no longer inure to the benefit of the party failing to provide such insurance, and the party claiming against such uninsured party shall be entitled to restitution of all damages and expenses suffered and/or claimed, without limitation.

Section 21.6. Proof of Coverage. Upon written request from one to the other, the parties hereto shall each provide the other a certified copy or copies of the certificate(s) of insurance evidencing the existence of the coverage required hereunder.

Section 21.7. Protection Against Cancellation. Upon written request, proof must also be given by each party to the other, pursuant to Section 21.5 hereof, that each of the policies required pursuant to this Article 21 expressly provides that the policy shall not be canceled until the expiration of thirty (30) days' prior written notice to the other party.

Section 21.8. Failure to Secure. If at any time during the Term, and after expiration of five (5) business days prior written demand therefore from Landlord, Tenant fails to:

- a) Provide Landlord with access to a registered insurance broker of record that can verify Tenant's compliance with the requirement contained in this Article 21; or
- b) provide documentation reasonably acceptable to Landlord that Tenant has secured and maintained the insurance coverage required hereunder, then

such failure shall be considered a material default under the Lease, and Landlord shall have the option, but not the obligation, without further notice or demand to obtain such insurance on behalf of or as the agent of Tenant and in Tenant's name.

Tenant shall pay Landlord's billing for the premiums associated with such insurance policy or policies within five (5) days after receipt of Landlord's billing, as well as such other reasonable costs and fees arising out of such default, together with interest on the entire amount so advanced by Landlord, at the rate of ten percent (10%) per annum, computed from the date of such advance. Such advances, if made by Landlord, shall be construed as and considered Additional Rent under this Lease.

Sections 21.9. Proceeds. Proceeds from any such policy or policies shall be payable to both Landlord and Tenant as their respective interests may appear.

**ARTICLE 22
MISCELLANEOUS**

Section 22.1. Limitation of Landlord's Liability. Tenant expressly agrees that, notwithstanding anything in this Lease and/or any applicable law to the contrary, the liability of Landlord and Landlord's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, including any successor in interest thereto (collectively and individually the "Landlord Parties"), and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to an amount which is equal to the lesser of:

- a) The interest of Landlord in the Building; or
- b) The equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an amount equal to eighty percent (80%) of the value of the Building (as such value is reasonably determined by Landlord).

Tenant specifically agrees that neither Landlord nor any of the Landlord Parties shall have any personal liability therefor. Further, Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

Tenant also expressly agrees that, to the extent that any transferee assumes the obligations of Landlord hereunder, and provided Landlord has either transferred the complete Security Deposit held pursuant to this Lease or refunded the same to Tenant as of the date of such transfer, then the covenants and agreements on the part of the Landlord to be performed under this Lease after the date of such transfer shall not be binding upon Landlord herein named from and after the date of transfer of its interest in the Building.

Section 22.2. Entire Agreement. This Lease, including the exhibits and guaranty of lease, if any, annexed hereto, contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection therewith and neither party and no agent or representative thereof has made or is making, and neither party in executing and delivering this Lease is relying upon, any warranties or representations, except to the extent set forth in this Lease. All understandings and agreements heretofore had between Landlord and Tenant relating to the leasing of the Premises are merged in this Lease, which alone fully and completely expresses their agreement. The Riders (if any) and Exhibits annexed to this Lease and the Construction Agreement are hereby incorporated herein and made a part hereof.

Section 22.3. No Waiver or Modification. The failure of Landlord or Tenant to insist in any instance upon the strict keeping, observance or performance of any covenant or agreement contained in this Lease or to exercise any election herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect. No waiver or modification by either Landlord or Tenant of any covenant or agreement contained in this Lease shall be deemed to have been made unless the same is in writing executed by the party whose rights are being waived or modified. No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder unless accepted in writing by Landlord. The receipt and retention by Landlord, and the payment by Tenant, of Monthly Fixed Rent or Additional Rent with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach by either Landlord or Tenant.

Section 22.4. Time of the Essence. Time is of the essence of this Lease and of all provisions hereof, except in respect to the delivery of possession of the Premises at the Commencement Date.

Section 22.5. Broker. Landlord and Tenant represent to one another that each has dealt with no broker in connection with this Lease other than Douglas, Emmett & Company and Metrospace Corporation. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Lease.

Section 22.6.1. Security Deposit. Concurrent with Tenant's execution and tendering of this Lease to Landlord, Tenant shall deposit the sum of \$22,384.40 (the "Security Deposit"), which amount Tenant shall thereafter at all times maintain on deposit with Landlord as security for Tenant's full and faithful observance and performance of its obligations under this Lease (expressly including, without limitation, the payment as and when due of the Monthly Fixed Rent, Additional Rent and any other sums or damages payable by Tenant hereunder and the payment of any and all other damages for which Tenant shall be liable by reason of any act or omission contrary to any of said covenants or agreements). Landlord shall have the right to commingle the Security Deposit with its general assets and shall not be obligated to pay Tenant interest thereon.

If at any time Tenant defaults in the performance of any of its obligations under this Lease, after the expiration of notice and the opportunity to cure, then, Landlord may:

- a) apply as much of the Security Deposit as may be necessary to cure Tenant's non-payment of the Monthly Fixed Rent, Additional Rent and/or other sums or damages due from Tenant; and/or;
- b) if Tenant is in default of any of the covenants or agreements of this Lease; apply so much of the Security Deposit as may be necessary to reimburse all expenses incurred by Landlord in curing such default; or
- c) if the Security Deposit is insufficient to pay the sums specified in Section 22.6 (a) or (b), elect to apply the entire Security Deposit in partial payment thereof, and proceed against Tenant pursuant to the provisions of Articles 19 and 20 herein.

If, as a result of Landlord's application of any portion or all of the Security Deposit, the amount held by Landlord declines to less than \$22,384.40, Tenant shall, within ten (10) days after demand therefor, deposit with Landlord additional cash sufficient to bring the then-existing balance held as the Security Deposit to the amount specified hereinabove. Tenant's failure to deposit said amount shall constitute a material breach of this Lease.

If, at the expiration or earlier termination of this Lease, all sums, costs, expenses or damages payable by Tenant pursuant to the provisions of this Lease have been timely paid to Landlord, and Tenant is not then in default in the observance or performance of any other covenant or agreement of this Lease, then Landlord shall, within thirty (30) days, return to Tenant, without interest, all or such part of the Security Deposit as remains on deposit with Landlord.

Section 22.6.2. Additional Security Deposit. Within thirty (30) calendar days after Landlord and Tenant's full execution of this Lease, in addition to the Security Deposit specified above, Tenant shall deposit with Landlord cash and/or an original letter of credit ("Letter of Credit") from a bank reasonably satisfactory to Landlord, and in a form in substantial compliance with Exhibit E, attached hereto and made a part hereof by reference, in an amount equal to \$234,272.73 (the "Total Additional Deposit"). Landlord and Tenant agrees that if more than \$10,000 of said Total Additional Deposit is comprised of a cash deposit by Tenant, Landlord shall pay interest thereon at the then-existing passbook rate achievable by Landlord. Tenant reserves, upon ten (10) business days prior written notice to Landlord, and no more than once in any calendar year during the Term, to replace the total amount of cash and/or Letter of Credit comprising the Total Additional Deposit with a revised percentage of cash and/or Letter of Credit.

If Tenant has not entered into a material uncured default as of the date that any decrease in the Total Additional Deposit is scheduled to occur, then said Total Additional Deposit shall decrease by twenty percent (20%) of the original Total Additional Deposit on the first calendar day of the twenty-fifth (25th), thirty-seventh (37th); and forty-ninth (49th) calendar months of the Term. At any time that Tenant provides a revised percentage of cash and/or Letter of Credit, said Letter of Credit shall be for the full remaining obligation of Tenant hereunder, decreased by any cash deposit made by Tenant.

Section 22.7. Force Majeure. For the purposes of this Lease, "Force Majeure" shall be defined as any or all prevention, delays or stoppages and/or the inability to obtain services, labor, materials or reasonable substitutes therefor, when such prevention, delay, stoppage or failure is due to strikes, lockouts, labor disputes, acts of God, governmental actions, civil commotions, fire or other casualty, and/or other causes beyond the reasonable control of the party obligated to perform, except that Force Majeure may not be raised as a defense for Tenant's non-performance of any obligations imposed by the Lease with regard to the payment of Rent and/or Additional Rent. Notwithstanding anything to the contrary contained in this Lease, Force Majeure shall excuse the performance of such party for a period equal to any such prevention, delay, stoppage or inability. Therefore, if this Lease specifies a time period for performance of an obligation by either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

Section 22.8. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 22.9. Successors and Assigns. Subject to Article 11, the covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, their respective successors and assigns and all persons claiming by, through or under them.

Section 22.10. Submission of Lease. No contractual or other rights shall exist between Landlord and Tenant with respect to the Premises until both have executed and delivered this Lease, notwithstanding that rental deposits have been received by Landlord and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Lease. The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or an option for the Tenant to lease, or otherwise create any interest by Tenant in the Premises or any other premises situated in the Building. Execution of this Lease by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Lease to Tenant. Landlord and Tenant agree hereby to authorize transmission of all or portions of documents, including signature lines thereon, by facsimile machines, and further authorize the other party to rely conclusively upon such facsimile transmissions as if the original had been received.

Sections 22.11. Captions. The captions in this Lease are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions hereof.

Section 22.12. Singular and Plural, Etc. The words "Landlord" and "Tenant", as used herein, shall include the plural as well as the singular. Words used in the masculine gender include the feminine and neuter. If there be more than one Landlord or Tenant the obligations hereunder imposed upon Landlord and Tenant shall be joint and several.

Section 22.13. Independent Covenants. Except where the covenants contained in one Article of this Lease are clearly affected by or contingent upon fulfillment by either party of another Article or paragraph of this Lease, this Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any actions hereunder at Landlord's expense or to any set-off of the Rent or other amounts owing hereunder against Landlord; provided, however, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for the violation by Landlord of the provisions hereof so long as notice is first given

to Landlord and any holder of a mortgage or deed of trust covering the Building, Real Property or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

Section 22.14. Severability. If any covenant or agreement of this Lease or the application thereof to any person or circumstance shall be held to be invalid or unenforceable, then and in each such event the remainder of this Lease or the application of such covenant or agreement to any other person or any other circumstance shall not be thereby affected, and each covenant and agreement hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 22.15. Warranty of Authority. If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this Lease on behalf of Landlord or Tenant hereby covenant and warrant that each is a duly authorized and existing entity, that each has and is qualified to do business in California, that the persons signing on behalf of Landlord or Tenant have full right and authority to enter into this Lease, and that each and every person signing on behalf of either Landlord or Tenant are authorized to do so. If either party hereto is a corporation, said party shall affix the appropriate corporate seal to each area on the document where request therefore is noted, and the other party shall be entitled to conclusively presume that by doing so the party so affixing said seal is attesting to and ratifying this Lease.

Section 22.16. No Representations or Warranties. Neither Landlord nor Landlord's agents or attorneys have made any representations or warranties with respect to the Premises, the Building or this Lease, except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise.

Section 22.17. No Joint Venture or Partnership. This Lease shall not be deemed or construed to create or establish any relationship of partnership or joint venture or similar relationship or arrangement between Landlord and Tenant hereunder.

Section 22.18. Tenant's Obligations At Its Sole Expense. Notwithstanding the fact that certain references in this Lease to acts required to be performed by Tenant hereunder, or to breaches or defaults of this Lease by Tenant, omit to state that such acts shall be performed at Tenant's sole expense, or omit to state that such breaches or defaults by Tenant are material, unless the context clearly implies to the contrary each and every act to be performed or obligation to be fulfilled by Tenant pursuant to this Lease shall be performed or fulfilled at Tenant's sole expense, and all breaches or defaults by Tenant hereunder shall be deemed material.

Section 22.19. Attorneys' Fees. If litigation is instituted between Landlord and Tenant, the cause for which arises out of or in relation to this Agreement, the prevailing party in such litigation shall be entitled to receive its costs (not limited to court costs), expenses and reasonable attorneys' fees from the non-prevailing party as the same may be awarded by the court.

Section 22.20. Waiver of Trial by Jury. In the interest of saving time and expense, Landlord and Tenant hereby consent to trial without a jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other or their successor-in-interest in respect to any matters arising out of or relating to this Lease.

Section 22.21. No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

Section 22.22. Prohibition Against Recording. Except as provided in Section 15.3 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

Section 22.23. Hazardous Waste. Tenant specifically agrees that, except for such limited quantities of office materials and supplies as are customarily used in tenant's normal business operations, Tenant shall not to engage or permit at any time, any operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, for the purpose of or in any way involving the handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether legal or illegal, accidental or intentional) of any hazardous substances, materials or wastes, or any wastes regulated under any local, state or federal law.

Tenant shall, during the Term, remain in full compliance with all applicable laws governing its use and occupancy of the Premises, including, without limitation, the handling, manufacturing, treatment, storage, disposal, discharge, use, and transportation of hazardous substances, materials or wastes, and any wastes regulated under any local, state or federal law. Tenant will remain in full compliance with the terms and conditions of all permits and licenses issued to it by any governmental authority on account of any or all of its activities on the Premises.

Section 22.24. Transportation Management. Tenant shall, at Tenant's sole expense, fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Building, when the same have been mandated by an outside governmental authority having jurisdiction therefor and not when required for the convenience of Landlord.

In connection therewith, Tenant shall be responsible for the transportation planning and management for all of Tenant's employees while located at the Premises, by working directly with the Landlord, any governmental transportation management organization or any other transportation-related committees or entities reasonably designated by Landlord. Such programs may include, without limitation:


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- a) restrictions on the number of peak-hour vehicle trips generated by Tenant;
- b) requirements for increased vehicle occupancy;
- c) implementing an in-house ride-sharing program and/or appointing an employee transportation coordinator;
- d) working with employees of any Building (or area-wide) ridesharing program manager;
- e) instituting employer-sponsored incentives (financial or in-kind) to encourage employees to ridesharing; and
- f) utilizing flexible work shifts for employees.

Section 22.25. Disclosure. Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors and P.L.E. Builders.

Section 22.26. Confidentiality. Landlord and Tenant agree that the covenants and provisions of this Lease shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises.

**ARTICLE 23
QUIET ENJOYMENT**

Section 23.1. Quiet Enjoyment. Contingent upon Tenant keeping, observing and performing all of the covenants, agreements, terms, provisions and conditions of this Lease on its part to be kept, observed and performed, and subject to the limitations imposed under Article 15 of this lease, Tenant shall lawfully and quietly hold, occupy and enjoy the Premises during the Term.

**ARTICLE 24
NO LIGHT, AIR OR VIEW EASEMENT**

Section 24.1. No Light, Air or View Easement. Any diminution or shutting off of light, air or view by any structure which is now or may hereafter be erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord. Noise, dust or vibration or other ordinary incidents to new construction of improvements on lands adjacent to the Building, whether or not by Landlord, shall in no way affect this Lease or impose any liability on Landlord.

**ARTICLE 25
RELOCATION**

Section 25.1. Relocation. *Intentionally Deleted.*

**ARTICLE 26
PARKING**

Section 26.1. Parking. Throughout the Term, Tenant shall purchase and assign to its employees monthly parking permits up to the maximum number of permits set forth in Section 26.1 of the Basic Lease Information ("BLI"). Except as otherwise permitted by Landlord's management agent in its reasonable discretion, based on availability thereof, in no event shall Tenant be entitled to purchase more than the maximum nor less than fifty percent of the number of permits listed in the BLI. However, to the limit specified hereinabove, Tenant may decrease the number of parking permits purchased pursuant to this Article 26 after giving at least thirty (30) days prior written notice to Landlord of such reduction.

The initial rates to be paid by Tenant for such permits shall be: \$99.00 per single unreserved permit; \$165.00 per single reserved permit, and \$275.00 per tandem reserved permit (serving two [2] vehicles) per month, including the ten percent (10%) tax currently charged by the City of Los Angeles, which rates shall in no event increase for the first twelve (12) calendar months of the Term, and shall not exceed the average prevailing market rate charged by similar office Buildings in the nearby geographic vicinity.

If Tenant either elects to purchase less than the total number of permits to which Tenant is entitled, or fails for two (2) consecutive calendar months to pay for the total number of parking permits to which Tenant is entitled, Tenant shall lose the right to purchase any additional parking permits beyond those that had been purchased and/or paid for by Tenant the calendar month immediately preceding such election and/or failure, until the expiration of forty-five (45) calendar days after Landlord's receipt of written notice from Tenant, indicating Tenant's intention to reclaim one or more of said lost parking permits.

Said parking permits shall allow Tenant to park in the Building parking facility at the prevailing monthly parking rate then in effect, which rate may be thereafter changed from time to time, in Landlord's sole discretion. Landlord shall retain sole discretion to designate the location of each parking space, and whether it shall be assigned, or unassigned, unless specifically agreed to otherwise in writing between Landlord and Tenant.

Guests and invitees of Tenant shall have the right to use, in common with guests and invitees of other tenants of the Building, the transient parking facilities of the Building at the then-posted parking rates and charges, or at such other rate or rates and charges as may be agreed upon from time to time between Landlord and Tenant in writing. Such rate(s) or charges may be changed by Landlord from time to time in Landlord's sole discretion, and shall include, without limitation, any and all fees or taxes relating to parking assessed to Landlord for such parking facilities.





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Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders continued use of said transient, as well as monthly parking, shall be contingent upon Tenant and Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders continued compliance with the reasonable and non-discriminatory rules and regulations adopted by Landlord, which rules and regulations may change at any time or from time to time during the Term hereof in Landlord's sole discretion.

ARTICLE 27 CONCIERGE SERVICES

Section 27.1. Provision of Services. Landlord and Tenant acknowledge and understand that Landlord may, from time to time, make available for Tenant's use or purchase a variety of personal services which may include, but not be limited to, personal shopping, assistance with choosing or obtaining travel reservations, accommodations and/or tickets; tickets to performances, recommendations to eating establishments; and the like (collectively "Concierge Services").

Tenant acknowledges that said Concierge Services are provided by Landlord solely as an accommodation to and for the convenience of Tenant and Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, and Landlord does not make any representation, warranty or guarantee, express or implied, as to the quality, value, accuracy, or completeness of said Concierge Services, or whether or not Tenant shall be satisfied with the services and/or good so provided and/or recommended. Landlord hereby disclaims any control over the variety or sufficiency of such services to be provided.

Tenant acknowledges that Tenant is not required to use such Concierge Services as a condition precedent to compliance with the Lease; that Tenant's use of such Concierge Services is strictly voluntary, and at the sole discretion and control of Tenant. Tenant shall independently make such financial arrangements for payment of the services provided as Tenant deems reasonable and of value.

Section 27.2. Indemnification and Release by Tenant. Notwithstanding anything to the contrary contained in the Lease, any city, county, state or federal ordinance, statute, regulation or law, Tenant's signature hereon indicates Tenant's agreement that Tenant, on behalf of itself and its agents, contractors, directors, employees, licensees, officers, partners or shareholders, does and shall hereby forever hold Landlord and Landlord's affiliates, agents, assigns, contractors, directors, employees, officers, parent organization, partners, representatives, shareholders, and subsidiaries (collectively the "Indemnitees") harmless from and forever release, remise, discharge, acquit and relieve the Indemnitees from and against any and all claims, demands, causes of action, obligations, liabilities, agreements, damages, cost (including, without limitation, reasonable attorneys' fees), loss, or liability of any kind or nature, whether asserted, known or unknown, suspected or unsuspected, in any way connected with, which any one or more of the Indemnitees may sustain or incur by reason of, related to, associated with, or arising out of the provision, use or the rendering of any such Concierge Services or the delivery of such Concierge Services to Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders.

Tenant hereby expressly waives all rights and benefits conferred by the provisions of Section 1542 of the Civil Code of the State of California, which reads as follows:

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

In so doing, Tenant acknowledges that it will be unable to make any claim against Landlord or any other Indemnitees for damages that may exist as of the date or after the date of this release, but which Tenant does not know to exist, and which, if known, would materially have affected Tenant's decision to execute this document, regardless of whether Tenant's lack of knowledge, if any, is the result of ignorance, oversight, error, negligence or other cause.





ARTICLE 28 OPTION TO EXTEND TERM

Section 28.1. Option to Extend Term. Provided Tenant is not in material default after the expiration of notice and the opportunity to cure on the date or at any time during the remainder of the Term after Tenant gives notice to Landlord of Tenant's intent to exercise its rights pursuant to this Article 28, Tenant is given the option to extend the term for an additional Five (5) year period (the "Extended Term"), commencing the next calendar day after the expiration of the Term (the "Option").

The Option shall apply as to the entirety of the Premises, and Tenant shall have no right to exercise the Option as to a portion of the Premises only.

Tenant's exercise of this Option is contingent upon Tenant giving written notice to Landlord (the "Option Notice") of Tenant's election to exercise its rights pursuant to this Option by Certified Mail, Return Receipt Requested, no more than twelve (12) and no less than nine (9) months prior to the Termination Date.

Section 28.2. Monthly Fixed Rent Payable. As Monthly Fixed Rent during the Extended Term, Tenant shall pay Landlord the Fair Market Value of the Premises for the Extended Term. The term "Fair Market Value" shall be defined as the net effective rent reasonably achievable by Landlord in an arms-length transaction with a non-renewal Tenant, and shall include, but not be limited to, all economic benefits obtainable by Landlord, such as Monthly Fixed Rent, periodic Fixed Rent

   
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adjustments, Additional Rent in the form of Operating Expense reimbursements, and any and all other monetary or non-monetary consideration that may be given in the market place to a non-renewal tenant, as is chargeable for a similar use of comparable space in the geographic area of the Premises.

Said computation shall specifically not include the payment of any brokerage commission to either Landlord's or Tenant's broker-of-record or any tenant improvements to the Premises, and should either Landlord and/or Tenant desire have a broker represent them and/or should Tenant desire to have any additional Improvements made to the Premises, the costs associated with payment of any additional Improvements and/or brokerage commissions shall be amortized over the proposed Extended Term and serve to increase the Fair Market Value specified hereinabove.

Landlord and Tenant shall have 30 days (the "Negotiation Period") after Landlord receives the Option Notice in which to agree on the Fair Market Value. If Landlord and Tenant agree on the Fair Market Value during the Negotiation Period, they shall immediately execute an amendment to the Lease extending the Term and stating the Fair Market Value.

Section 28.3 Appraisers to Set Fixed Rent. If Landlord and Tenant are unable to agree on the Fair Market Value during the Negotiation Period, then:

- a) Within five (5) days after the expiration of the Negotiation Period, Tenant shall have the right to void the Option Notice by hand delivery of written notice (the "Termination Notice") to Landlord within such five (5) days period, and the Lease shall expire on the Termination Date; or
- b) If the Termination Notice is not timely delivered by Tenant, Landlord and Tenant, each at its own cost, shall select an independent real estate appraiser with at least ten (10) years full-time commercial appraisal experience in the area in which the Premises are located, and shall provide written notice to the other party of the identity and address of the appraiser so appointed. Landlord and Tenant shall make such selection within ten (10) days after the expiration of the Negotiation Period.
- c) Within thirty (30) days of having been appointed to do so (the "Appraisal Period"), the two (2) appraisers so appointed shall meet and set the Fair Market Value for the Extended Term. In setting the Fair Market Value, the appraisers shall solely consider the use of the Premises for general office purposes.

Section 28.4 Failure by Appraisers to Set Fair Market Value. If the two (2) appointed appraisers are unable to agree on the Fair Market Value within ten (10) days after expiration of the Appraisal Period, they shall elect a third appraiser of like or better qualifications, and who has not previously acted in any capacity for either Landlord or Tenant. Landlord and Tenant shall each bear one half of the costs of the third appraiser's fee.

Within 30 days after the selection of the third appraiser (the "Second Appraisal Period") the Fair Market Value for the Extended Term shall be set by a majority of the appraisers now appointed.

If a majority of the appraisers are unable to set the Fair Market Value within the Second Appraisal Period, the three (3) appraisers shall individually render separate appraisals of the Fair Market Value, and their three (3) appraisals shall be added together, then divided by three (3); resulting in an average of the appraisals, which shall be the Fair Market Value during the Extended Term.

However, if the low appraisal or high appraisal varies by more than Ten Percent (10%) from the middle appraisal, then one (1) or both shall be disregarded. If only one (1) appraisal is disregarded, the remaining two (2) appraisals shall be added together and their total divided by two (2), and the resulting average shall be the Fair Market Value. If both the low and high appraisal are disregarded, the middle appraisal shall be the Fair Market Value for the Premises during the Extended Term. The appraisers shall immediately notify Landlord and Tenant of the Fair Market Value so established, and Landlord and Tenant shall immediately execute an amendment to the Lease, extending the Term and revising the Fixed Rent payable pursuant to the Fair Market Value so established.

Landlord or Tenant's failure to execute such amendment establishing the Fair Market Value within fifteen (15) days after the other party's request therefor shall constitute a material default under the Lease, and if Tenant is the party failing to so execute, this Option shall become null and void and of no further force or effect.

Section 28.5. No Right of Reinstatement or Further Extension. Once Tenant has either failed to exercise its rights to extend the term pursuant to this Article 28 or failed to execute the amendment called for hereunder, it shall have no right of reinstatement of its Option to Extend the Term, nor shall Tenant have any right to a further or second extension of the Term beyond the period stated in Section 28.1 hereinabove.

Section 28.6. No Assignment of Option. This Option is personal to the original Tenant signing this lease, and shall be null, void and of no further force or effect as of the date that Tenant assigns this Lease to an unaffiliated entity and/or subleases more than forty-five percent (45%) of the total Rentable Area of the Premises.

ARTICLE 29 RIGHT OF FIRST OFFER

Section 29.1. Right of First Offer.

- a) Upon Landlord's receipt of written notification ("Tenant's Expansion Notice") from Tenant that Tenant desires additional space in the Building on the fifteenth (15) floor(s) (except that Tenant shall not be required during the first twelve (12) calendar months of the Term hereof to provide such notice to be entitled to receive its right of First Offer on Suite 1560; and



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Initial



Initial

- b) Provided Tenant is not in material uncured default after the expiration of time and the opportunity to cure as of the date or any time after Tenant renders to Landlord Tenant's Expansion Notice; and
- c) At least eighteen (18) months remain before expiration of the Term of this Lease, or Tenant is willing to enter into an extension of the Term for a minimum of eighteen (18) additional months;

then, Landlord grants Tenant a continuous right of first offer to lease any space on the fifteenth (15th) floor(s) of the Building (the "Expansion Premises") that is vacated and thereafter becomes available for rent following Tenant's Expansion Notice during the Term of this Lease, including any extension thereof, as follows:

When a specific suite contained within the Expansion Premises becomes available for lease at any time during the Term, or Extended Term, if any, of this Lease, Landlord shall give written notice to Tenant, specifying the terms and conditions upon which Landlord is willing to lease that portion of the Expansion Premises then available (the "Offer Notice"), which terms and conditions shall in no event exceed the Fair Market Value, as determined pursuant to the provisions of Article 28 hereinabove.

Section 29.2 Tenant's Acceptance. Tenant shall have five (5) days after receipt of the Offer Notice from Landlord to advise Landlord of Tenant's election (the "Acceptance") to lease that portion of the Expansion Premises contained in Landlord's Offer Notice, which Acceptance must be on the same terms and conditions as Landlord has specified in its Offer Notice. If the Acceptance is so given, then within ten (10) days thereafter, Landlord and Tenant shall sign an amendment to this Lease, adding the Expansion Premises to the Premises and incorporating all of the terms and conditions originally contained in Landlord's Offer Notice.

Section 29.3 Failure to Accept Extinguishes Rights. If Tenant does not tender the Acceptance of Landlord's Offer Notice, or if Landlord and Tenant fail to execute the amendment to Lease called for above within the time period specified, then Landlord may lease such portion of the Expansion Premises as was contained in Landlord's Offer Notice to any third party it chooses without liability to Tenant on terms and conditions substantially similar to those specified in Landlord's Offer Notice.


If Landlord then enters into a lease for the all or a portion of the Expansion Premises with a third party tenant, which lease terminates during the Term or Extended Term, if any, of this Lease, or if Landlord, after six (6) calendar months fails to enter into any such Lease for the Expansion Premises contained in Landlord's original Offer Notice, then, after the expiration or earlier termination of said third party lease or six-month period, this right of first offer, as set forth herein, shall re-apply.

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

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership


By: DOUGLAS, EMMETT & COMPANY,
its agent

By: 
Kenneth Parzer

Dated: 7/2/98

TENANT:

METROPOLITAN WEST ASSET
MANAGEMENT, a California limited liability
company

By: 
Scott Dubchansky - Member - C.E.O.

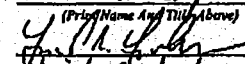
By: 
Eric R. Landman member
(Print Name and Title Above)

EXHIBIT A - PREMISES PLAN

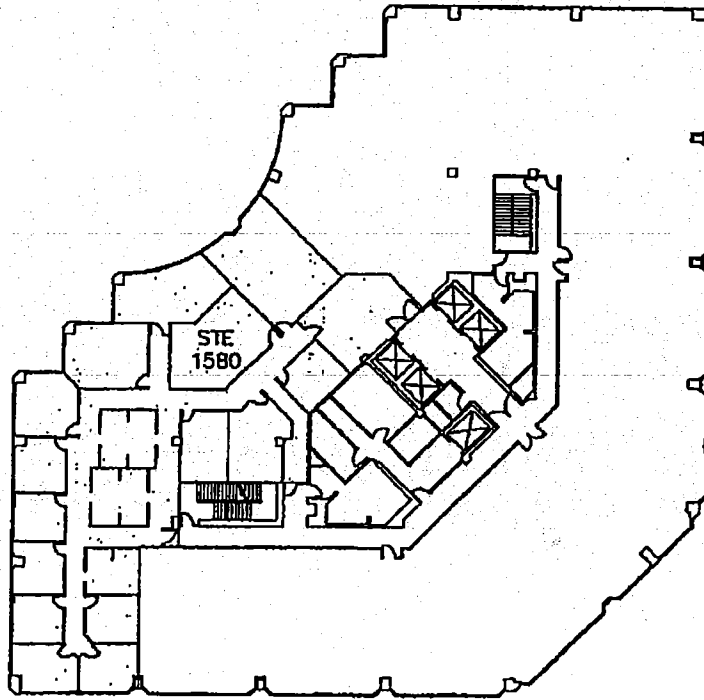
ORIGINAL

Suite 1580 at 11766 Wilshire Boulevard, Los Angeles, California, 90025

Rentable Area: approximately 7,505 square feet

Usable Area: approximately 6,339 square feet

(Measured pursuant to the provisions of Section 1.2 of the Lease)



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EXHIBIT B
IMPROVEMENT CONSTRUCTION AGREEMENT
CONSTRUCTION TO BE PERFORMED BY LANDLORD WITH AN ALLOWANCE

Section 1. Completion of Improvements. Landlord, through its general contractor ("Contractor"), shall furnish and install within the Premises those items of general construction, shown on the final Plans and Specifications approved by Landlord and Tenant pursuant to the Schedule of Approvals below, in compliance with all applicable codes and regulations, and complete any construction required in the common areas of the Building when such construction is required by or arises out of completion of the Improvements. (collectively the "Improvements").

The definition of Improvements shall include all costs associated with completing the Tenant Improvements, including but not limited to, space planning, design, architectural, and engineering fees, contracting, labor and material costs, municipal fees and permit costs, and document development and/or reproduction, as well as the installation of Tenant's computer and/or telephone cabling or switching, so long as the same shall remain the possession of Landlord at the expiration or earlier termination of this Lease.

Tenant acknowledges and agrees that any change in the scope of work or details of construction after Tenant's sign off of the finalized working drawings shall constitute a "Tenant Change," the costs of which Tenant shall pay pursuant to the provisions of Subsection 2 (d) hereinbelow.

Section 2. Landlord's Allowance.

- a) Tenant shall bear all costs of construction of the Improvements in excess of the Allowance, and shall deposit such excess costs with Landlord pursuant to the provisions of Subsection 2 (d) hereinbelow. Landlord shall have no obligation whatsoever to commence construction of the Improvements until such time as Tenant has deposited the excess costs of construction, and Tenant's failure to make such deposit timely, as required, shall be assessed against Tenant as a Tenant delay, pursuant to the provisions contained in subsection 2 (c).
- b) Landlord shall contribute the maximum sum of \$15.00 per final usable square foot contained in the Premises (the "Allowance") which may solely be applied towards completion of the Improvements, and which Landlord shall pay directly to Contractor for Tenant's account.
- c) Prior to commencing construction of the Improvements, Landlord shall submit to Tenant a written statement showing the total anticipated cost of the Improvements, which statement shall include Contractor's overhead and profit, and an estimate of all fees.

Tenant's failure to give written approval of such statement within five (5) working days after submission thereof shall be conclusively deemed a disapproval of such statement, and Contractor shall not commence the Improvements. Any delay of Tenant, after the expiration of ten (10) days from receipt of Landlord's statement, to provide Landlord with a revised scope of work and written approval of a revised cost statement therefor shall be considered a Tenant delay, assessable against Tenant pursuant to the provisions of Subsection 2 (c) hereinbelow.

- d) Tenant agrees to pay Landlord within five (5) working days after receipt of Landlord's billing for the estimated cost of all the Improvements in excess of the Allowance or and/or for the actual costs of any Tenant Change. Tenant's failure to make such payment timely, as specified herein, shall release Landlord from any obligation to commence or continue construction of the Improvements, and each of Tenant's continued failure to make payment shall be treated as a Tenant delay, assessable against Tenant pursuant to the provisions of Subsection 2 (c) hereinbelow.

Tenant hereby authorizes Landlord to pay Contractor interim payments from the funds so deposited towards completion of the Improvements, except that Landlord shall retain the sum of ten percent (10%) of the total cost of Improvements, as revised by Tenant Changes, if any, until such time as:

- (i) Tenant has advised Landlord of its approval of completion of the Improvements, which approval shall not be unreasonably withheld, conditioned or delayed; or
- (ii) Contractor has provided reasonable documentation that the Improvements, pursuant to the original scope of work, have been reasonably completed.

Within thirty (30) business days after Contractor has reasonably completed the Improvements, Landlord shall provide Tenant with a final statement, indicating any difference between the estimated cost of the Improvements, the final cost of the Improvements; any initial or interim payments made by Tenant towards completion thereof; the amount of Allowance contributed and the balance owing from or to Tenant. Any balance owed to Tenant shall be returned with such statement, and any shortfall due Landlord shall be paid within five (5) days after Tenant's receipt of Landlord's billing.

- e) Any delay caused by Tenant shall be a material breach of this Lease, and in addition to any other remedies available to Landlord hereunder, Tenant shall be assessed a penalty therefor, by decreasing the Allowance in an amount equal to the daily value of Monthly Fixed Rent, computed by dividing the Monthly Fixed Rent by 30 days, and multiplying this figure by the total number of days Tenant failed to perform as required hereunder.
- f) Landlord and Tenant agree that if the Improvements are actually constructed by Contractor at a cost which is less than the Allowance, there shall be no monetary adjustment between Landlord and Tenant and the cost savings shall accrue to the benefit of Landlord.

Section 3. Plans and Specifications. Tenant shall, through Landlord's architect or space planner, provide such information and directions as are necessary to complete the architectural and engineering Plans and Specifications required for the construction of the Improvements. Tenant shall provide instructions to Landlord's architect or space planner so as to meet the Schedule of Approvals set forth in Paragraph 5 below. Notwithstanding Tenant's obligation to provide instructions to Landlord's architect or space





   
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EXHIBIT B (continued)
IMPROVEMENT CONSTRUCTION AGREEMENT

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planner, all Plans and Specifications referred to herein are subject to Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed.

Section 4. Completion of Work Not included as Improvements. Any work not shown in the final construction Plans and Specifications, including but not limited to, telephone service, furnishings, installation of Tenant's trade fixtures or cabinetry (collectively "Tenant Work"), shall be separately contracted and paid for by Tenant. Tenant shall obtain Landlord's written approval of Tenant's suppliers and contractors prior to commencement of any Tenant Work.

Landlord shall give reasonable access to Tenant's suppliers and contractors so as to achieve timely completion of any Tenant Work. Notwithstanding Landlord's obligation to provide such access, completion of all Tenant Work shall be subject to Landlord's supervision, policies and procedures, and shall be scheduled with Contractor and completed in such a manner as to not unreasonably hinder or delay completion of the Improvements.

Section 5. Subject to Force Majeure, Tenant shall comply with the following:

SCHEDULE OF APPROVALS

<u>Event</u>	<u>Time</u>
a) Deadline by which Tenant shall have met with Landlord's space planner.	Completed
b) Deadline for space plan approval.	Completed
c) Deadline for notifying Landlord of Tenant's selection of finishes and materials.	September 1, 1998
d) Deadline for Tenant's approval of final Plans, Specifications and working drawings.	September 15, 1998
e) Deadline for Tenant's approval of Landlord's cost estimate of Improvements.	October 1, 1998

Section 6. Contractor, at the its sole expense, shall obtain and maintain public liability and workmen's compensation insurance adequate to protect Tenant and Landlord from and against any and all liability for death or injury to persons or damage to property caused in or about the Premises by reason of completion of the Improvements.

Tenant shall either cause Tenant's contractors or subcontractors to comply with the provisions of this Section 6, or, in lieu thereof, Tenant shall, at Tenant's sole expense, obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to persons or damage to property caused in or about the Premises by reason completion of any Tenant Work.

Section 7. Within ten (10) days after occupancy of the Premises, Tenant shall submit to Landlord a "punch list" of Tenant Improvement items that require repair or correction by Landlord. Provided that said items were included within the original plans, Landlord shall diligently proceed to correct those items within thirty (30) days of receipt of Tenant's list.

Section 8. Landlord agrees that, subject to Tenant's performance hereunder, Landlord shall complete the Improvements, and shall correct any construction defects about which Tenant notifies Landlord in writing within one (1) years following the Commencement Date. Tenant's right to repair of any defect shall be extended for such longer period as may be covered by warranties provided by Contractor or subcontractor(s).

LANDLORD:

TENANT:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

METROPOLITAN WEST ASSET MANAGEMENT
a California limited liability company

By: DOUGLAS, EMMETT & COMPANY,
its agent

By: Scott Dubichansky
Scott Dubichansky Member - CEO

By: K/P
Kenneth Panzer

By: Neil R. Jensen
Neil R. Jensen Member

Dated: 7/2/98

Dated: JUNE 30, 1998

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EXHIBIT B-1
CONSTRUCTION BY TENANT DURING TERM

1. If Tenant wishes to make a Tenant Change, such Tenant Change shall be completed pursuant to the provisions of Section 9.2. of the Lease and this Exhibit B-1. Tenant shall bear all costs of the improvements, which shall be paid directly to Tenant's general contractor ("Contractor").

Contractor shall complete construction to the Premises pursuant to the final Plans and Specifications approved by Landlord and Tenant (the "Improvements"), in compliance with all applicable codes and regulations. Tenant's selections of finishes and materials shall be indicated on the Plans and Specifications, and shall be equal to or better than the minimum Building standards and specifications. All work not shown on the final Plans and Specifications, but which is to be included in the Improvements, including but not limited to, telephone service installation, furnishings or cabinetry, shall be installed pursuant to Landlord's reasonable directives.

2. Prior to commencing any work:

- a) Tenant's proposed Contractor and the Contractor's proposed subcontractors and suppliers shall be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. As a condition of such approval, so long as the same are reasonably cost competitive, then Contractor shall use Landlord's Heating, Venting, and Air-conditioning, plumbing, and electrical subcontractors for such work.
- b) Contractor shall submit to Landlord and Tenant a written bid for completion of the Improvements. Said bid shall include Contractor's overhead, profit, and fees, and an administration fee of fifty dollars (\$50.00) per hour, to a maximum of five percent (5%) of the total hard costs of the Improvements in excess of \$2,500.00 per occurrence, which fee shall defray Landlord's managing agent's costs for supervision of the construction, and which fee Contractor shall pay:
 - i) by delivering directly to Landlord's managing agent a prepayment of \$250.00; and
 - ii) by delivering the balance concurrent with Contractor's completion of said Tenant Change.;
- c) Tenant or Contractor shall submit all Plans and Specifications to Landlord, and no work on the Premises shall be commenced before Tenant has received Landlord's final written approval thereof, which shall not be unreasonably withheld, delayed or conditioned;
- d) Contractor shall complete all architectural and planning review and obtain all permits, including signage, required by the city, state or county in which the Premises are located; and
- e) Contractor shall submit to Landlord verification of public liability and workmen's compensation insurance adequate to fully protect Landlord and Tenant from and against any and all liability for death or injury to persons or damage to property caused in or about or by reason of the construction of any work done by Contractor or Contractor's subcontractors or suppliers.
- f) Unless otherwise waived in writing by Landlord, which waiver shall be in Landlord's sole discretion, Contractor shall provide payment and performance bonds in an amount equal to 100% of the estimated amount of Improvements, as specified to Landlord pursuant to Paragraph 4(b).

3. Contractor and Contractor's subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision. Landlord shall provide Contractor and Contractor's subcontractors and suppliers with reasonable access to the Premises.

4. During construction of the Improvements, Contractor shall adhere to the procedures shown in Exhibit B1(A), which represent Landlord's minimum requirements for completion of the Improvements.

5. Upon completion of the Improvements, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full, and Contractor shall provide Landlord with lien releases as requested by Landlord, confirmation that no liens have been filed against the Premises or the Building. If any liens arise against the Premises or the Building as a result of the Improvements, Tenant shall immediately, at Tenant's sole expense, remove such liens and provide Landlord evidence that the title to the Building and Premises have been cleared of such liens.

6. Whether or not Tenant or Contractor timely complete the Improvements, unless the Lease is otherwise terminated pursuant to the provisions contained therein, Tenant acknowledges and agrees that Tenant's obligations under the Lease to pay Monthly Fixed Rent and/or Additional Rent shall continue unabated.

CONSTRUCTION POLICY:

The following policies outlined are the construction procedures for the Building. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained hereinbelow:

1. Administration

- A. Contractors to notify Building Office at 11766 Wilshire Boulevard, Suite 1420, Los Angeles, California, 90025 prior to starting any work. No exceptions. All jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.
- B. The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.
- C. Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.
- D. As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.










EXHIBIT B-1 (continued)
CONSTRUCTION BY TENANT DURING TERM

- E. The HVAC contractor is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:
- i. A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet should also include the location of any fire dampers.
 - ii. An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Engineer at the finish of the HVAC installation.
- F. All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.
- G. The general contractor must provide for the removal of all trash and debris arising during the course of construction. At no time are the building's trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.
- H. Contractors will include in their proposals all costs to include: parking, elevator service, additional security (if required), restoration of carpets, etc. Parking will be validated only if contractor is working directly for the Building Office.
- I. Any problems with construction per the plan, will be brought to the attention of and documented to the Building Manager. Any changes that need additional work not described in the bid will be approved in writing by the Building Manager. All contractors doing work on this project should first verify the scope of work (as stated on the plans) before submitting bids; not after the job has started.
- 2. Building Facilities Coordination**
- A. All deliveries of material will be made through the parking lot entrance.
- B. Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.
- C. Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.
- 3. Housekeeping**
- A. Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.
- B. All construction done on the property that requires the use of lobbies or common area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:
- i. Mylar -- Extra heavy-duty to be taped from the freight elevator to the suite under construction.
 - ii. Masonite -- 1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.
- C. Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.
- D. Food and related lunch debris are not to be left in the suite under construction.
- E. All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All common areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.
- 4. Construction Requirements**
- A. All Life and Safety and applicable Building Codes will be strictly enforced (i.e. tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.
- B. Electric panel schedules must be brought up to date identifying all new circuits added.
- C. All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.
- D. All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.
- E. All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.

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EXHIBIT B-1
CONSTRUCTION BY TENANT DURING TERM

- F. Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.
- G. All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.
- H. All core drilling is not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.
- I. All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:
 - i. A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.
 - ii. A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.
 - iii. The Building Engineer will inspect the construction on a periodic basis as well.
- J. All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor during the course of construction shall be deducted from Tenant's Allowance or Tenant's Security Deposit, as appropriate.

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT & COMPANY,
its agent

By: *K.P.*
Kenneth Panzer

Dated: 7/2/98

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
a California limited liability company

By: *Scott Dubinsky*
Scott Dubinsky Member - CED.
(Print Name and Title Above)

By: *David R. Anderson*
David R. Anderson member
(Print Name and Title Above)

Dated: June 30, 1998

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**EXHIBIT C
RULES AND REGULATIONS**

BUILDING RULES AND REGULATIONS

1. Access. Tenant and/or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall only use the sidewalks, entrances, lobby(ies), garage(s), elevators, stairways, and public corridors as a means of ingress and egress, and shall take such actions as may reasonably be necessary to ensure that the same remain unobstructed at all times.

The entrance and exit doors to the Premises are to be kept closed at all times except as required for orderly passage to and from the Premises. Except on balconies available for the joint or exclusive use of Tenant as otherwise specified hereinabove, Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to loiter in any part of the Building or obstruct any means of ingress or egress. Tenant shall not cover any doors, and shall not cover any window, other than with vertical or mini-blinds pre-approved in writing by Landlord. Landlord specifically disapproves the installation of any film or foil covering whatsoever on the windows of the Premises.

Neither Tenant, nor its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall go up on the roof or onto any balcony serving the Building, except upon such roof, portion thereof, or balcony as may be contiguous to the Premises and is designated in writing by Landlord as a roof-deck, roof-garden area, or exclusive use balcony area.

2. Restroom Facilities. The toilet rooms, toilets, urinals, wash bowls and other apparatus (the "Restroom Facilities"), whether contained in the common areas of the Building and/or the interior of the Premises, shall not be used for any purpose other than that for which they were designed. Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to throw foreign substances of any kind whatsoever or papers not specifically designated for use in the Restroom facilities down any toilet, or to dispose of the same in any way not in keeping with the instructions provided to Tenant by the management of the Building regarding same, and Tenant hereby specifically agrees to reimburse Landlord directly for the expense of any breakage, stoppage or damage resulting from Tenant's violation of this rule.

3. Signage. Tenant may not install, inscribe, paint or affix any awning, shade, sign, advertisement or notice on or to any part of the outside or inside of the Building. All identification relating to Tenant and installed in or on public corridor doors will be installed by Landlord, at Tenant's sole expense, on behalf of Tenant. Tenant's identification on or in any common area of the Building shall be limited to Tenant's name and suite designation, and the size and type of letters to be used in such signage shall be determined by Landlord, in Landlord's sole discretion.

Landlord shall only be obligated to display the name and suite designation of Tenant on the Building directory. Landlord reserves the right to exclude all other names from such directory. If Landlord, in its sole discretion, permits Tenant to place any other name or designation on the Building directory, Tenant shall reimburse Landlord as Additional Rent the reasonable expenses associated therewith. All requests for listings by Tenant on the Building directory must be submitted to in writing to the Building management.

4. Heavy Equipment. Landlord reserves the right, in Landlord's sole discretion, to decline, limit or designate the location for installation of any safes, other unusually heavy, or unusually large objects to be used or brought into the Premises the Building. In each case where Tenant requests installation of one or more such unusually heavy item(s), which request shall be conclusively evidenced by Tenant's effort to bring such item(s) into the Building or Premises, Tenant shall reimburse Landlord for the costs of any engineering or structural analysis required by Landlord in connection therewith. In all cases, each such heavy object shall be placed on a metal stand or metal plates or such other mounting detail of such size as shall be prescribed by Landlord.

Tenant hereby indemnifies Landlord against any damage or injury done to persons, places, things or the Building or its common areas when such damage or injury primarily arises out of Tenant's installation or use of one or more unusually heavy objects. Tenant further agrees to reimburse Landlord for the costs of repair of any damage done to the Building or property therein by putting in, taking out, or maintaining such safes or other unusually heavy objects.

5. Transportation of Freight. Except as otherwise agreed to by Landlord in writing, Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall only carry freight, furniture or bulky materials in or out of the Building before or after normal business hours, as specified in Section 15 of these rules. Tenant may only install and/or move such freight, furniture or bulky material after previous written notice of its intention to complete such a move, given to the Office of the Building. The persons and/or company employed by the Tenant for such work must be professional movers, reasonably acceptable to Landlord, and said movers must provide Landlord with a certificate of insurance evidencing the existence of workmen's compensation and all risk liability coverage in a minimum amount of \$2,000,000.

Tenant may, subject to the provisions of the immediately preceding paragraph, move freight, furniture, bulky matter and other material in or out of the Premises on Saturdays between the hours of 8:00 A.M. and 6:00 P.M., provided that Tenant pays in advance for Landlord's reasonably anticipated additional costs, if any, for elevator operators, security guards and other expenses arising by reason of such move by Tenant.


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EXHIBIT C (continued)
RULES AND REGULATIONS

6. Flammable Materials. Except for such limited quantities of office materials and supplies as are customarily utilized in Tenant's normal business operations, Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline, flammable or combustible fluid or material, other than those limited quantities of normal business operating materials as may reasonably be necessary for the operation or maintenance of office equipment. Nor shall Tenant keep or bring into the Premises or the Building any other toxic or hazardous material specifically disallowed pursuant to California state law.

7. Cooking / Odors / Nuisances. Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to engage in the preparation and/or serving of foods unless the Premises includes a self-contained kitchen area. Nor shall Tenant permit the odors arising from such cooking, or any other improper noises, vibrations, or odors to be emanate from the Premises. Tenant shall not obtain for use in the Premises, ice, drinking water, food, beverage, towel or other similar services except at such reasonable hours and under such reasonable regulations as may be specified by Landlord.

Tenant hereby agrees to instruct all persons entering the Premises to comply with the requirements of the Building, by advising all persons entering the Premises that smoking of any tobacco or other substance is prohibited at all times, except in such common areas located outside the Building as may be designated by the Building management.

Tenant shall not permit Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to interfere in any way with other tenants of the Building or with those having business with them.

Tenant shall not permit its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to bring or keep within the Building any animal, bird or bicycle, except such seeing-eye dog or other disability assistance type animal as may comply with the requirements of any handicapped ordinances having jurisdiction therefor.

Tenant shall store its trash and garbage within the Premises. No material shall be placed in the trash boxes or receptacles if such material is a hazardous waste or toxic substance or is of such a nature that its disposal in Landlord's ordinary and customary manner of removing and disposing of trash and garbage would be a violation of any law, ordinance or company regulation governing such disposal. All garbage and refuse disposal shall be made only through entry ways and elevators provided for such purposes and at such times as Landlord shall designate. As and when directed by Landlord and/or if required by any governmental agency having jurisdiction therefor, Tenant shall comply with all directives for recycling and separation of trash.

Tenant shall not employ any person to do janitorial work in any part of the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion.

Landlord reserves the right to exclude or expel from the Building any person who in Landlord's sole discretion is intoxicated or under the influence of liquor or drugs or who, in any manner, engages in any act in violation of the Rules and Regulations of the Building.

Tenant shall not conduct any public or private auction, fire sale or other sale of Tenant's personal property, furniture, fixtures or equipment or any other property located in or upon the Premises, without Landlord's prior written consent, which consent shall be in Landlord's sole discretion.

8. Storage. Tenant may only store goods, wares, or merchandise on or in the Premises in areas specifically designated by Landlord for such storage.

9. Directives to Management. Tenant's requirements, other than those Landlord specifically agrees to perform elsewhere in this Lease, shall only be attended to upon the Building management's receipt of Tenant's written request therefor. Landlord's employees shall not perform any work or do anything outside of their regular duties unless under special instruction from the Building management. No security guard, janitor or engineer or other employee of the Building management shall admit any person (Tenant or otherwise) to the Premises without specific instructions from the Office of the Building and written authorization for such admittance from Tenant.

10. Keys and Locks. Landlord shall furnish Tenant with two keys to each door lock existing in the Premises. Tenant shall reimburse Landlord a reasonable charge for these and any additional keys. Tenant shall not be permitted to have keys made, nor shall Tenant alter any lock or install a new or additional lock or bolts on any door of the Premises without Landlord's prior written consent. Tenant shall, in each case, furnish Landlord with a key for any additional lock installed or changed by Tenant or Tenant's agent(s). Tenant, upon the expiration or earlier termination of this Lease, shall deliver to Landlord all keys in the possession of Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders for doors in the Building, whether or not furnished to Tenant by Landlord. If Tenant, or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, lose or misplace any key(s) to the Building, Landlord shall, in Landlord's sole discretion, either replace said key(s) or re-key such locks as may be affected thereby, and Tenant shall reimburse Landlord for all such costs of such re-keying and/or replacement.


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EXHIBIT C (continued)
RULES AND REGULATIONS

11. Solicitation. Tenant and/or its agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders shall not permit any canvassing, peddling, soliciting and/or distribution of handbills or any other written materials to occur in the Premises and/or the Building, nor shall Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders engage in such solicitation or distribution activities.

12. Retail Sales, Services and Manufacturing Prohibited. Except with the prior written consent of Landlord, Tenant shall not sell, or permit the retail sale of, newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises, nor shall Tenant carry on or permit or allow any employee or other person to carry on the independent business of stenography, typewriting or any similar business in or from the Premises for the service or accommodation of other occupants of any other portion of the Building. Tenant shall not permit the Premises to be used for manufacturing or for any illegal activity of any kind, or for any business or activity other than for Tenant's specific use.

13. Change in Name or Address. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.

14. Projections from Premises. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or the exterior walls of the Building or in any area projecting outside the interior walls of the Premises. Tenant shall not install or permit to be installed any awnings, air conditioning units or other projections, without the prior written consent of Landlord.

15. Superiority of Lease. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the covenants, agreements or provisions of this Lease. If a conflict or disagreement between the Lease and these Rules becomes apparent, this Lease shall prevail.

16. Changes to Rules and Regulations. Provided such changes do not materially harm Tenant's ability to conduct its normal business operations, Landlord shall retain the right to change, add or rescind any rule or regulation contained herein, or to make such other and further reasonable and non-discriminatory Rules and Regulations as in Landlord's sole judgment may, from time to time, become necessary for the management, safety, care and cleanliness of the Premises, the Building or the Parking Facilities, or for the preservation of good order therein, or for the convenience of other occupants and tenants therein, so long as such rescission, addition, deletion or change is thereafter reasonably applied to all occupants of the Building affected thereby.

PARKING RULES AND REGULATIONS

- A. Tenant shall strictly comply with all posted speed limits, directional signs, yield signs, stops signs and all other signs within or about the parking facilities.
- B. Tenant shall register all vehicle license plate numbers with the Building management.
- C. Tenant shall be responsible for the cost of repairing any damage to the parking facilities or cleaning any debris create or left by Tenant, including, without limitation, oil leakage from motor vehicles parked in the parking facilities under its auspices.
- D. Landlord, in addition to reserving the right to designate one or more areas solely for visitor parking, which areas may be changed by Landlord from time to time with or without prior notice to Tenant, reserves the right to allocate additional visitor spaces on any floor of the parking facilities. Tenant shall not park any vehicles in any spaces designated as visitor only spaces or customer spaces within the parking facilities.
- E. Tenant shall strictly comply with all rules, regulations, ordinances, speed limits, and statutes affecting handicapped parking and/or access, and shall not park any vehicles within the fire lanes, along parking curbs or in striped areas.
- F. Tenant shall only use the number of parking permits allocated to it and shall not permit more than one of its employees to utilize the same parking permit. Landlord reserves the right to assign or re-assign parking spaces within the Parking facilities to Tenant from time to time, and provided Landlord is required to do so my reason of any action arising out of a governmental mandate imposed on Landlord, Landlord further reserves the right at any time to substitute an equivalent number of parking spaces in a parking facilities or subterranean or surface parking facility within a reasonable distance of the Premises.
- G. Except with Landlord's managing agent(s)' prior written consent, Tenant shall not leave vehicles in the parking facilities overnight, nor park any vehicles in the parking facilities other than automobiles, motorcycles, motor-driven or non-motor-driven bicycles or four-wheeled trucks or vans. Landlord may, in its sole discretion, designate separate areas for bicycles and motorcycles. Tenant shall ensure that vehicles parking in the parking facilities by using the parking permits assigned to Tenant shall be parked entirely within the striped lines designating a single space and are not so situated or of such a width or length as to impede access to or egress from vehicles parked in adjacent areas or doors or loading docks. Further, all vehicles utilizing Tenant's parking permits shall not be higher than any height limitation that may be posted, or of such a size, weight or dimension so that entry of such vehicle into the parking facilities would cause any damage or injury thereto.

EXHIBIT C (continued)
RULES AND REGULATIONS

ORIGINAL

- H. Tenant shall not allow any of the vehicles parked using Tenant's permits, or the vehicles of any of Tenant's suppliers, shippers, customers or invitees to be loaded or unloaded in any area other than those specifically designated by Landlord for loading.
- I. Tenant shall not use or occupy the parking facilities in any manner which will unreasonably interfere with the use of the parking facilities by other tenants or occupants of the Building. Without limitation, Tenant agrees to promptly turn off any vehicle alarm system activated and sounding an alarm in the parking facilities. In the event said alarm system fails to turn off and no longer sound an intruder alert fifteen (15) minutes after commencing such an alarm, Landlord shall reserve the right to remove the vehicle from the parking facilities at Tenant's sole expense.
- J. Tenant acknowledges that the Rules and Regulations as posted herein shall be in effect twenty-four hours per day, seven days per week, without exception.
- K. Tenant acknowledges that the uniformed guard officers and parking attendants serving the parking facilities are authorized to issue verbal and written warnings of Tenant's violations of any of the rules and regulations contained herein. Except in the case of a car alarm continuing to sound in excess of a maximum of fifteen minutes, in which case no further notice by Landlord shall be required, if Tenant or Tenant's agents, contractors, directors, employees, officers, partners or shareholders continue to materially breach these rules and regulations after expiration of written notice and the opportunity to cure has been given to Tenant, then Landlord shall have the right, without notice, in addition to such other remedies and request for injunctive relief it may have, to remove or tow away the vehicle involved and store the same, all costs of which shall be borne exclusively by Tenant and/or revoke Tenant's parking privileges and rights under the Lease.

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT & COMPANY,
its agent

By: K [Signature]
Kenneth Panzer

Dated: 7/2/98





TENANT:

METROPOLITAN WEST ASSET
MANAGEMENT, a California limited liability
company

By: [Signature]
Scott Dubhandley Member - CEO
(Print Name And Title Above)

By: [Signature]
Laird R. Handman, Member
(Print Name And Title Above)

Dated: June 30, 1998





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EXHIBIT E
SAMPLE LETTER OF CREDIT

[ISSUING BANK]

[Date]

DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership
c/o DOUGLAS, EMMETT & COMPANY
12121 Wilshire Boulevard, Suite 600
Los Angeles, CA 90025

Gentlemen:

1. At the request of our customer, METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company (the "Tenant"), we hereby establish our irrevocable Letter of Credit No. _____ (the "Credit"), in your favor, for the sum of Two Hundred Thirty Four Thousand Two Hundred Seventy Three Dollars (\$234,273.00), which amount shall decrease by twenty percent (20%) to One Hundred Eighty Seven Thousand Four Hundred Eighteen Dollars (\$187,418.00) at midnight on December 31, 2001, and shall decrease again by twenty percent (20%) to One Hundred Forty Nine Thousand Nine Hundred Thirty Five Thousand Dollars (\$149,935.00) at midnight on December 31, 2002, and shall be payable upon submission to us, at _____, of the following documents:
 - a) Your draft, drawn at sight on us for the amount of the default and costs to cure, as specified in Section b(ii) below; and
 - b) An original statement, signed by a representative of DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), certifying:
 - i) That Tenant is in default of any of the terms and conditions of that certain Office Lease dated May 20, 1998, by and between Landlord and Tenant relative to the lease of the Premises which consist of certain commercial property of approximately 7,505 square feet located at 11766 Wilshire Boulevard, Los Angeles, California, 90025, and
 - ii) The amount required to cure such default.
2. We engage to honor your drafts drawn under and in compliance with this Letter of Credit, upon delivery of the documents specified to us on or before December 31, 2003.
3. You shall retain the original Letter of Credit until the earlier of: December 31, 2003 or such time as the entire balance then available has been drawn down in full.

Very truly yours,

(Authorized Signature)

LANDMARK \MTWESTAS \ May 19, 1998


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EXHIBIT 3

FIRST AMENDMENT TO OFFICE LEASE

This First Amendment to Office Lease (the "First Amendment"), dated March 2, 1999, is made by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), with offices at 12121 Wilshire Boulevard, Suite 600, Los Angeles, California 90025, and METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Premises");





B. The provisions of said Lease specify that the Term shall commence the later of January 1, 1999, or the date Landlord substantially completed the Improvements contemplated under Exhibit B;

C. Landlord provided Tenant a notice of substantial completion effective January 17, 1999.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Amendment.
2. **Confirmation of Commencement Date and Term.** The Commencement Date is hereby confirmed to be January 17, 1999, and the Term is hereby confirmed from and including January 17, 1999, through and including January 31, 2004. Tenant acknowledges and agrees that Tenant's obligation to commence Monthly Fixed Rent payments commenced January 17, 1999, whether or not Tenant was then actually occupying the Premises.
3. **Revision in Monthly Fixed Rent Increase.** As of the Commencement Date, the provisions of Section 2.2 are deleted in their entirety, and replaced in lieu thereof, with the following:
 - "Commencing February 1, 2000 and continuing through January 31, 2001, the Monthly Fixed Rent shall increase from \$19,888.25 per month to \$20,484.90 per month.
 - Commencing February 1, 2001 and continuing through January 31, 2002, the Monthly Fixed Rent shall increase from \$20,484.90 per month to \$21,099.45 per month.
 - Commencing February 1, 2002 and continuing through January 31, 2003, the Monthly Fixed Rent shall increase from \$21,099.45 per month to \$21,732.43 per month.
 - Commencing February 1, 2003 and continuing throughout the remainder of the initial Term, the Monthly Fixed Rent shall increase from \$21,732.43 per month to \$22,384.40 per month."
4. **Confirmation of Option Notice Period.** The period of time during which Tenant may validly exercise its Option to Extend Term is hereby confirmed to be no earlier than February 1, 2003, and no later than April 30, 2003.
5. **Acceptance of Premises.** Tenant acknowledges and agrees that Landlord has completed the Improvements for which Landlord was obligated under the Lease to Tenant's satisfaction, and, as of the date Tenant executes this First Amendment, the Premises were in good order and repair.
6. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this First Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the corporation executing hereinbelow is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this First Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

If either signatory hereto is a corporation, the person(s) executing on behalf of said entity shall affix the appropriate corporate seal to each area in the document where request therefor is noted, and the other party shall be entitled to conclusively presume that by doing so the entity for which said corporate seal has been affixed is attesting to and ratifying this First Amendment.
7. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Lease other than Douglas, Emmett & Company. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this First Amendment.
8. **Successors and Heirs.** The provisions of this First Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
9. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this First Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker or record.

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FIRST AMENDMENT TO OFFICE LEASE (continued)

10. **Governing Law.** The provisions of this First Amendment shall be governed by the laws of the State of California.

11. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, and as amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT & COMPANY,
its agent

By: Kenneth Parker

Dated: 5/3/99

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
a California limited liability company

By: Scott Dubatensky

Signer's Name: Scott Dubatensky
 President Vice President or Chief Executive Officer
(Check Title Above)

By: and

Signer's Name: Leah Landman
 Secretary Treasurer or Chief Financial Officer
(Check Title Above)

AFFIX CORPORATE SEAL HERE

Dated: April 24, 1999

**Douglas,
Emmett &
Company**

12121 WILSHIRE BOULEVARD, SUITE 600

LOS ANGELES, CALIFORNIA 90025

TELEPHONE (310) 820-7035

FAX (310) 826-8756

October 4, 1999

VIA CERTIFIED MAIL

**Mr. Scott Dubchansky
Metropolitan West Asset Management
11766 Wilshire Boulevard, Suite 1580
Los Angeles, California 90025**

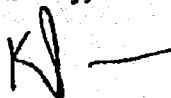
**Re: Second Amendment to Office Lease
11766 Wilshire Boulevard, Suite 1580**

Dear Mr. Dubchansky:

We are pleased you have chosen to expand your premises and renew your lease at the Landmark II Building. Enclosed for your records is a fully executed Second Amendment to Office Lease dated September 27, 1999 by and between Douglas Emmett Realty Fund 1995, a California limited partnership and Metropolitan West Asset Management, a California limited liability company.

If there is anything we can do to assist you, please contact your property manager, Carey Cooper at (310) 474-8444. We look forward to your continued occupancy of your premises.

Sincerely,



**Ken Panzer
Executive Vice President**

KP:awh

Enclosure

cc: Carey Cooper

ORIGINAL

SECOND AMENDMENT TO OFFICE LEASE

This Second Amendment to Office Lease (the "Second Amendment"), dated September 27, 1999, is made by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), with offices at 12121 Wilshire Boulevard, Suite 600, Los Angeles, California 90025, and METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998, as amended by that certain First Amendment to Office Lease, dated March 2, 1999 (collectively the "Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises"), as highlighted in yellow on Exhibit 2A, attached hereto and made a part hereof by reference;

B. Tenant wishes to install a satellite dish on a portion of the roof area of the Building in which the Premises is located, which installation Landlord is conditionally willing to permit, contingent upon Tenant's acceptance of and compliance with the provisions of this Second Amendment; and

C. Tenant also wishes to expand the Premises to include additional office space in the Building, commonly known as Suite 1560 (the "Expansion Space"), as highlighted in blue on Exhibit 2A, which expansion Landlord is conditionally willing to accept, contingent upon Tenant's compliance with and acceptance of the provisions of this Second Amendment; and

D. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Second Amendment.
2. **Option to Installation of Satellite Dish.** Effective the date Tenant executes and tenders to Landlord this Second Amendment, the following article shall be added to the Lease, as if the same had been originally included therein:


"ARTICLE 30


OPTION FOR INSTALLATION OF SATELLITE DISH


Section 30.1. Option for Installation of Satellite Dish. Landlord acknowledges that Tenant shall, from time to time and as a material adjunct to Tenant's normal business operations, require access to such commercial, college, high school and semi-professional sports, educational, business and entertainment programming as is generally only available on commercial satellite systems. Therefore, Landlord agrees that Landlord shall use commercially reasonable efforts to enter into a contractual agreement with a vendor of Landlord's choice to provide a full range of commercial and public sports, entertainment, educational and business programming, including local and regional sports and entertainment programming, through the means of installation of a satellite dish in a location specified by Landlord (the "Programming Agreement")


Section 30.2. Tenant's Installation of Equipment. If Landlord is unwilling or unable to enter into a Programming Agreement within ninety (90) calendar days after the Commencement Date, Tenant shall have the option, but not the obligation, to install a satellite dish of no more than 18" in diameter in a location on the roof determined in Landlord's sole discretion. Such installation shall be subject to:

- a) Landlord's reasonable approval of the details of said installation;
- b) Tenant providing documentation that Tenant's liability insurance shall extend to said installation;
- c) Tenant agreeing, as an additional increment of Fixed Rent, to reimburse or pay Landlord the sum of One Hundred and Seventy-five Dollars (\$175.00), which sum shall increase by \$10.00 each February 1st during the Term, commencing February 1, 2001, and continuing to increase annually thereafter, and to reimburse Landlord for all costs associated with the installation, utilities, maintenance of the roof surface, and any and all ancillary costs associated with such installation;
- d) Tenant agreeing to enter into a contract with the vendor of Tenant's choice for a period of no more than one (1) calendar year, and any renewal thereof being subject to Landlord's reasonable discretion; and
- e) Tenant's indemnification of Landlord and Landlord's agents, contractors, directors, employees, licensees, officers, partners or shareholders for any consequential damages arising out of Tenant's installation of said dish, including the abrogation of Landlord's roofing warranty and/or damage arising out of improper installation or sealing of the penetrations into the roof of the Building.


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SECOND AMENDMENT TO OFFICE LEASE (continued)

Section 30.3. Replacement of Tenant's Equipment with Landlord's. If, after Tenant has commenced installation of the Equipment specified in Section 30.2 above, Landlord thereafter enters into such a Programming Agreement, then effective one-hundred and eighty (180) days after Tenant receives written notice from Landlord of the existence of the Programming Agreement, Tenant shall no longer be obligated to pay the additional Fixed Rent provided for under Section 30.1(c) above and Tenant shall have no further right to maintain an independent satellite dish on the roof of the Premises, provided that:

- a) the vendor selected by Landlord shall provide equal or greater services than Tenant can obtain through use of its own satellite dish system;
b) the costs for Tenant's utilization of said vendor's service are equal to or less than the total costs payable by Tenant while utilizing its own satellite dish system;
c) Tenant is permitted to fulfill the terms of its existing contract and/or the costs of cancellation thereof are reimbursed to Tenant; and
d) any costs of removal of Tenant's equipment or restoration of the Building, as required herein, are reimbursed to Tenant, then

Tenant shall be solely and absolutely responsible to purchase said service from the vendor so selected by Landlord, and the costs therefor, including all on-going program access fees associated with Tenant obtaining access to said programming, shall be paid exclusively by Tenant.

Tenant hereby holds Landlord and Landlord's agents, contractors, directors, employees, officers, partners or shareholders harmless from any loss or damage arising out of Tenant's failure to pay any reasonable costs therefor, which failure results in Tenant's inability to obtain said programming."

- 3. Extension of Term. The Term of this Lease is hereby extended six (6) months (the "Extended Term"), from and including January 31, 2004, through and including July 31, 2004 (the "Termination Date").
4. Expansion of Premises. Effective the first Monday occurring after Tenant tenders to Landlord three executed originals of this Second Amendment, as well as any payments required hereunder (the "Effective Date"), the definition of the Premises shall be revised to include both the Original Premises and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Original Premises and Expansion Space, as if the same had been originally included therein.

As of the Effective Date, the usable area of the Premises shall be increased from 6,339 square feet to 7,473 square feet, and the Rentable Area of the Premises shall be increased from 7,505 square feet to 8,849 square feet.

Landlord and Tenant agree that even if the Rentable or Usable Area of the Premises and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of the Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Premises, as the case may be.

- 5. Revision in Monthly Fixed Rent. Commencing February 1, 2000, and continuing through January 31, 2001, the Monthly Fixed Rent to be paid by Tenant shall increase from \$20,484.90 per month to \$24,248.10 per month; and
Commencing February 1, 2001, and continuing through January 31, 2002, the Monthly Fixed Rent to be paid by Tenant shall increase from \$24,248.10 per month to \$24,975.55 per month; and
Commencing February 1, 2002, and continuing through January 31, 2003, the Monthly Fixed Rent to be paid by Tenant shall increase from \$24,975.55 per month to \$25,724.81 per month; and
Commencing February 1, 2003, and continuing through January 31, 2004, the Monthly Fixed Rent to be paid by Tenant shall increase from \$25,724.81 per month to \$26,496.55 per month; and
Commencing February 1, 2004, and continuing throughout the remainder of the Extended Term, the Monthly Fixed Rent to be paid by Tenant shall increase from \$26,496.55 per month to \$27,291.45 per month.

Concurrent with Tenant's execution and tendering to Landlord of this Second Amendment, Tenant shall forward the sum of \$3,763.20 as pre-payment of the rent due on the Expansion Space for the month of February, 2000.

- 6. Revision in Base Year. Notwithstanding anything to the contrary contained in the original Lease, the Base Year, as specified in Section 3.2 of the original Lease, to be used for the purposes of computing Tenant's payment of any increase in Operating Expense, shall be revised from calendar year 1999 to calendar year 2000, and the first date that Tenant shall become obligated to pay any estimated increase in Operating Expense shall be January 1, 2001.
7. Increase in Parking Permits. Notwithstanding anything to the contrary contained in the original Lease, effective February 1, 2000, the total number of parking permits to which Tenant shall be entitled shall be increased from five (5) permits for reserved parking spaces and sixteen (16) permits for unreserved parking spaces to six (6) permits for reserved parking spaces and twenty-one (21) permits for unreserved parking spaces.

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SECOND AMENDMENT TO OFFICE LEASE (continued) ORIGINAL

Furthermore, Landlord acknowledges and agrees that Landlord shall, upon Tenant's execution of this Second Amendment, relocate one of the current reserved parking permits to the P-2 level, and shall use commercially reasonable efforts to relocate a second of Tenant's reserved parking permits to the P-2 level at such time as a vacancy becomes available there.

8. **Revision in Tenant's Share.** As of the Effective Date, Tenant's Share, as specified in Section 3.1 of the original Lease, to be used for the purposes of computing Tenant's payment of any increase in Operating Expense, shall be increased from 1.98% to 2.33%.
9. **Increase in Security Deposit.** Landlord acknowledges that it currently holds the cash sum of \$22,384.40 and, subject to decrease as specified in the original Lease, a Letter of Credit in the face amount of \$234,272.73 as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Extended Term unless otherwise depleted pursuant to the provisions of Section 22.6. Concurrent with Tenant's execution and tendering to Landlord of this Second Amendment, Tenant shall tender the sum of \$4,907.05, which amount Landlord shall add to the cash Security Deposit already held by Landlord, so that thereafter, throughout the Extended Term, provided the same is not otherwise depleted, Landlord shall hold a cash total of \$27,291.45 as a cash Security Deposit on behalf of Tenant.
10. **Acceptance of Expansion Space.** Tenant acknowledges that it has made its own inspection of and inquiries regarding the Expansion Space. Therefore, except for Landlord's obligation to advance on behalf of Tenant the sum of \$39,690.00 as an addition to the Allowance for which Landlord was otherwise obligated under Exhibit B, Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Expansion Space, the Premises as hereby expanded and/or the Building for the purposes intended by Tenant.

Any initial tenant improvement construction in the Expansion Space shall be completed by Landlord pursuant to the provisions of Exhibit B of the original Lease. Thereafter, any Tenant Change which Tenant wishes to occur in the Premises shall be completed by Tenant, at Tenant's sole expense, pursuant to the provisions of Exhibit B-1.

Notwithstanding anything to the contrary contained herein, Tenant shall have the option to complete the Improvements to the Expansion Space through the use of an architect, space planner and/or licensed general contractor of Tenant's choice at any time within the first two (2) years after the Effective Date. Tenant's completion of such Improvements shall be pursuant to the provisions of Exhibit B-1 of the original Lease, in which case Landlord shall reimburse Tenant the \$39,690.00 increase to the Allowance upon completion of said Improvements and Tenant's submission of copies of checks in full payment of such work and unconditional lien releases evidencing payment in full for such construction.

11. **Reassertion of Right of First Offer.** Tenant acknowledges and agrees that Landlord has advised Tenant, pursuant to the provisions of Article 29 of the Lease, that Suite 1500 is currently vacant and available, and Tenant has declined to exercise its Right of First Offer for said Suite 1500, which declination would, pursuant to the provisions of Section 29.3, result in Tenant no longer holding any right of First Offer for Suite 1500.

However, Landlord and Tenant agree that, notwithstanding anything to the contrary contained in the original Lease, Tenant shall be entitled to re-assert its Right of First Offer over Suite 1500 commencing the later of twelve (12) months from:

- a) the date Tenant executes and tenders to Landlord this Second Amendment, or
- b) the date Landlord enters into a lease acceptable to Landlord for the rental of Suite 1500 with a third party occupant.

12. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this Second Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the corporation executing hereinbelow is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Second Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

If either signatory hereto is a corporation, the person(s) executing on behalf of said entity shall affix the appropriate corporate seal to each area in the document where request therefor is noted, and the other party shall be entitled to conclusively presume that by doing so the entity for which said corporate seal has been affixed is attesting to and ratifying this Second Amendment.

13. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Lease other than Douglas, Emmett & Company and CRESA Partners. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Second Amendment.

D JRY

SECOND AMENDMENT TO OFFICE LEASE (continued) ORIGINAL

- 14. **Successors and Heirs.** The provisions of this Second Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
- 15. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Second Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker or record.
- 16. **Governing Law.** The provisions of this Second Amendment shall be governed by the laws of the State of California.
- 17. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, and as amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT & COMPANY,
its agent

By: [Signature]
Kenneth Panzer

Dated: 10/1/99

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
a California limited liability company

By: [Signature]
Signer's Name: Scott Dubichansky
 President Vice President or Chief Executive Officer
(Check Title Above)

and
By: [Signature]
Signer's Name: Laird Lanchman
 Secretary Treasurer or Chief Financial Officer
(Check Title Above)

Dated: September 28, 1999

[Initials] [Initials] [Initials] [Initials]
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ORIGINAL

EXHIBIT 2A - EXPANSION PLAN

Suites 1560 and 1580 at 11766 Wilshire Boulevard, Los Angeles, California 90025

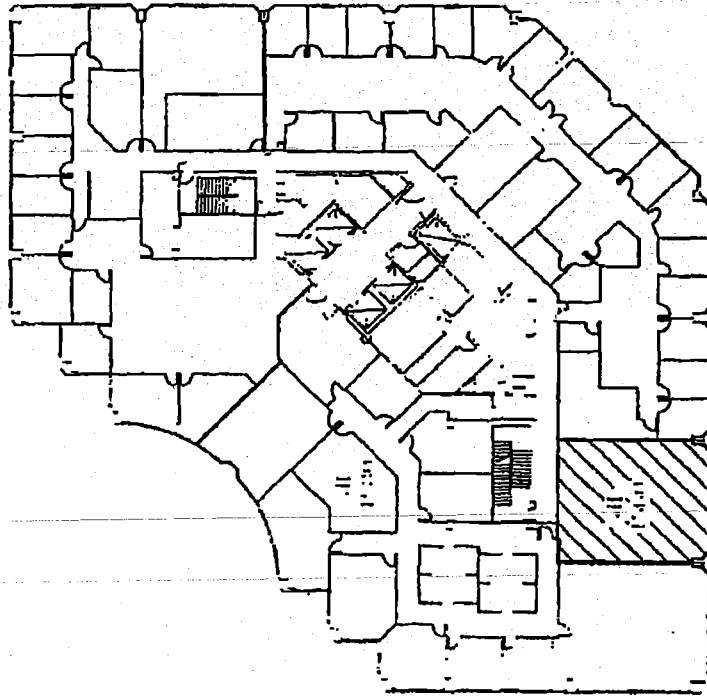
New Rentable Area: approximately 8,849 square feet

New Usable Area: approximately 7,473 square feet

(Measured pursuant to the provisions of 4 of the Second Amendment to Office Lease)



FLOOR 15




Initial


Initial


Initial

Initial

Douglas,
Emmett &
Company

12121 WILSHIRE BOULEVARD, SUITE 600
LOS ANGELES, CALIFORNIA 90025

TELEPHONE (310) 820-7035
FAX (310) 826-8756

March 13, 2000

VIA CERTIFIED MAIL

Mr. Scott Dubchansky
Metropolitan West Asset Management
11766 Wilshire Boulevard, Suite 1580
Los Angeles, California 90025


Re: **Third Amendment to Office Lease**
11766 Wilshire Boulevard, Por. Suite 1500

Dear Mr. Dubchansky:

We are pleased you have chosen to expand your premises at the Landmark II building. Enclosed for your records is a fully executed Third Amendment to Office Lease dated February 25, 2000 by and between Douglas Emmett Realty Fund 1995, a California limited partnership and Metropolitan West Asset Management, a California limited liability company.

If there is anything we can do to assist you, please contact your property manager, Carey Cooper at (310) 478-8444. We look forward to your continued occupancy at Landmark II.

Sincerely,


Ken Panzer
President

KP:awh

Enclosure

cc: Carey Cooper

ORIGINAL

THIRD AMENDMENT TO OFFICE LEASE

This Third Amendment to Office Lease (the "Third Amendment"), dated February 25, 2000, is made by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), with offices at 12121 Wilshire Boulevard, Suite 600, Los Angeles, California 90025, and METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998, as amended by that certain First Amendment to Office Lease, dated March 2, 1999, and that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suites 1560 and 1580 (the "Existing Premises");

B. Tenant wishes to expand its occupancy within the Building to include additional office space adjacent to the Existing Premises, as shown on Exhibit A1 (the "Expansion Space"), which expansion Landlord has conditionally permitted, contingent upon Tenant's acceptance of and compliance with the provisions of this Third Amendment and Landlord obtaining possession of the Expansion Space from the current occupant thereof; and

C. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Third Amendment.
2. **Effective Date of Expansion.** The expansion contemplated hereunder shall be effective as of the later of (i) September 1, 2000, and (ii) the first business day after Landlord substantially completes the Improvements (as described in Exhibit B attached hereto and made a part hereof) (the "Effective Date"). The anticipated Effective Date is September 1, 2000. The lease term for the Expansion Space shall commence on the Effective Date and shall expire on July 31, 2004, concurrently with the lease term for the Existing Premises.

Landlord shall use commercially reasonable efforts to provide Tenant a minimum of two (2) weeks prior written notice of the date Landlord reasonably anticipates Tenant shall be able to take possession of the Expansion Space.

Provided that Tenant does not delay Landlord's completion of the Improvements, Tenant may enter the Expansion Space up to one (1) calendar week prior to the anticipated Effective Date, solely for the purpose of installing Tenant's furniture, fixtures and equipment, computer and telephone cabling. Said early entry shall be subject to Tenant complying with all of the provisions and covenants contained herein, except that Tenant shall not be obligated to any increase in Monthly Fixed Rent or Additional Rent that Tenant is required to pay hereunder until the Effective Date.


If for any reason Landlord is unable to deliver possession of the Expansion Space to Tenant on the anticipated Effective Date, the provisions of this Third Amendment shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession. However, Tenant shall not be obligated to pay the increase in Monthly Fixed Rent or Additional Rent that Tenant is required to pay hereunder until possession of the Expansion Space has been delivered to Tenant by Landlord. Except for such delay in the commencement of any increase in Rent, Landlord's failure to give possession on the anticipated Effective Date shall in no way affect Tenant's obligations hereunder.


If possession of the Expansion Space is not tendered by Landlord within one hundred twenty (120) days after the anticipated Effective Date, then Tenant shall have the right to terminate the provisions of this Third Amendment by giving written notice to Landlord, which notice shall be given within ten (10) days after Landlord's failure to so deliver. If such notice of termination is not given by Tenant within said ten (10) day time period, then this Third Amendment shall continue in full force and effect.


If possession of the Expansion Space is not tendered within one hundred eighty (180) days after the anticipated Effective Date, then this Third Amendment, and the rights and obligations of Landlord and Tenant hereunder, shall terminate automatically, without further liability by either party to the other, and without further documentation being required.


3. **Expansion of Premises.** As of the Effective Date, (i) the definition of the Premises shall be revised to include both the Existing Premises and the Expansion Space, and wherever in the original Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Space together, as if the same had been originally included in said Lease, and (ii) the provisions of Article 29 of the Lease and Paragraph 11 of the Second Amendment to Office Lease shall be deleted in their entirety and of no further force or effect.

As of the Effective Date, the Usable Area of the Premises shall increase from 7,473 square feet to 10,626 square feet and the Rentable Area of the Premises shall increase from 8,849 square feet to 12,586 square feet.


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Landlord and Tenant agree that the Usable Area of the Premises has been measured according to the June, 1996 standards published by the Building Owners' and Managers' Association ("BOMA"), and that Landlord is utilizing a deemed add-on factor of 18.51% to compute the Rentable Area of the Premises. Rentable Area herein is calculated as 1.1851 times the estimated Usable Area, regardless of what the actual square footage of the common areas of the Building may be, and whether or not they are more or less than 18.51% of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant further agree that even if the Rentable or Usable Area of the Premises and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of the Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Premises, as the case may be.

4. **Revision in Monthly Fixed Rent.** Commencing as of the Effective Date, and continuing through August 31, 2001, the Monthly Fixed Rent to be paid by Tenant for the Expansion Premises shall be \$10,837.30 per month; and

Commencing September 1, 2001, and continuing through August 31, 2002, the Monthly Fixed Rent to be paid by Tenant for the Expansion Premises shall increase from \$10,837.30 per month to \$11,162.42 per month; and

Commencing September 1, 2002, and continuing through August 31, 2003, the Monthly Fixed Rent to be paid by Tenant for the Expansion Premises shall increase from \$11,162.42 per month to \$11,497.29 per month; and

Commencing September 1, 2003 and continuing throughout the remainder of the Extended Term, the Monthly Fixed Rent to be paid by Tenant for the Expansion Premises shall increase from \$11,497.29 per month to \$11,842.21 per month.

Concurrently with Tenant's execution and delivery of this Third Amendment, Tenant shall pay to Landlord an amount equal to the first (1st) month's rent for the Extended Term and the increase in the Security Deposit referred to in Section 10 below.

5. **Tenant's Share.** As of the Effective Date, Tenant's Share, as specified in Article 3 of the Lease, solely as it relates to the Expansion Space, shall be .98%.
6. **Base Year.** As of the Effective Date, the Base Year for Tenant's payment of increases in Operating Expenses (as defined in Article 3 of the Lease), solely as it relates to the Expansion Space shall be calendar year 2000.
7. **Use.** The Expansion Space shall only be used for the purposes specifically permitted in Article 6 of the Lease.
8. **Increase in Parking Permits.** The number of unreserved parking spaces to which Tenant shall be entitled under the terms of the Lease shall be increased by nine (9) as of the Effective Date, at the prevailing monthly parking lease rates in effect, which may change from time to time.
9. **Acceptance of Premises.** Tenant acknowledges that it has been in possession of the Existing Premises for over one (1) year; has failed to make any claim against Landlord for the repair of latent defects in the Existing Premises; and has made its own inspection of and inquiries regarding both the Existing Premises and the Expansion Space, both of which are already improved. Therefore, except for the Allowance to be reimbursed to Tenant, as specified in Exhibit B1 attached, Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Existing Premises, the Expansion Space, or the Building for the purposes intended by Tenant.
10. **Security Deposit.** Landlord acknowledges that it currently holds the sum of \$27,291.45 as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Extended Term, unless otherwise depleted pursuant to the provisions of the Lease. Concurrent with Tenant's execution and tendering to Landlord of this Third Amendment, Tenant shall tender the sum of \$12,197.48, which amount Landlord shall add to the Security Deposit already held by Landlord, so that thereafter, throughout the Extended Term, provided the same is not otherwise depleted, Landlord shall hold a total of \$39,488.93 as a Security Deposit on behalf of Tenant.
11. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Third Amendment other than Douglas, Emmet and Company and CRESA + Los Angeles. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Third Amendment.
12. **Successors and Heirs.** The provisions of this Third Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
13. **Confidentiality.** Landlord and Tenant shall each use commercially reasonable efforts to ensure that the covenants and provisions of this Third Amendment are not discussed with anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker or record.



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THIRD AMENDMENT TO OFFICE LEASE (continued)

- 14. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Third Amendment, until both Landlord and Tenant have executed and delivered this Third Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Third Amendment.
- 15. **Disclosure.** Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors, Douglas, Emmett & Company, and P.L.E. Builders.
- 16. **Governing Law.** The provisions of this Third Amendment shall be governed by the laws of the State of California.
- 17. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended by the document contained in Recital A hereinabove, and as further amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT AND COMPANY,
its agent

By: Kenneth Panzer
Kenneth Panzer

Dated: 2/29/00

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
a California limited liability company

By: Scott Dubchansky

Signer's Name: Scott Dubchansky
 President Vice President or Chief Executive Officer
(Check Title Above)

and
By: TAD RIVELLE

Signer's Name: TAD RIVELLE
 Secretary Treasurer or Chief Financial Officer
President (Check Title Above)

Dated: February 29, 2000

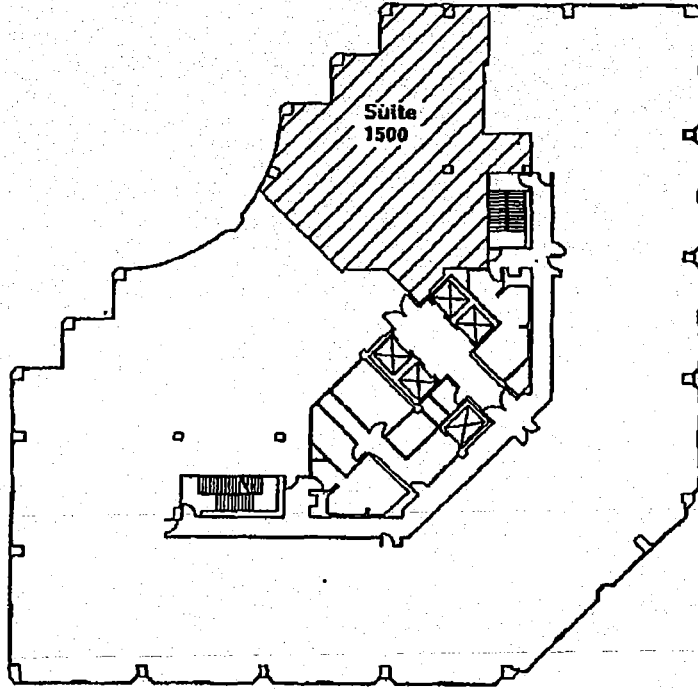
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EXHIBIT A1 - PREMISES PLAN

Suite 1500 at 11766 Wilshire Boulevard, Los Angeles, California 90025

Rentable Area: approximately 3,737 square feet

Usable Area: approximately 3,153 square feet




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**EXHIBIT B
IMPROVEMENT CONSTRUCTION AGREEMENT
CONSTRUCTION TO BE PERFORMED BY LANDLORD WITH AN ALLOWANCE**

Section 1. Completion of Improvements. Landlord, through its general contractor ("Contractor"), shall furnish and install within the Expansion Space those items of general construction, shown on the final Plans and Specifications approved by Landlord and Tenant pursuant to the Schedule of Approvals below, in compliance with all applicable codes and regulations, and complete any construction required in the common areas of the Building when such construction is required by or arises out of completion of the Improvements (collectively the "Improvements").

The definition of Improvements shall include all costs associated with completing the Tenant Improvements, including but not limited to, space planning, design, architectural, and engineering fees, contracting, labor and material costs, municipal fees and permit costs, and document development and/or reproduction.

Tenant acknowledges and agrees that any change in the scope of work or details of construction after Tenant's sign off of the finalized working drawings shall constitute a "Tenant Change," the costs of which Tenant shall pay pursuant to the provisions of Subsection 2 (d) hereinbelow.

Section 2. Landlord's Allowance.

- a) Tenant shall bear all costs of construction of the Improvements in excess of the Allowance, and shall deposit such excess costs with Landlord pursuant to the provisions of Subsection 2 (d) hereinbelow. Landlord shall have no obligation whatsoever to commence construction of the Improvements until such time as Tenant has deposited the excess costs of construction, and Tenant's failure to make such deposit timely, as required, shall be assessed against Tenant as a Tenant delay, pursuant to the provisions contained in Subsection 2 (e) below.
- b) Landlord shall contribute a maximum sum of \$15.67 per square foot of Usable Area contained in the Expansion Space (the "Allowance") which may solely be applied towards completion of the Improvements, and which Landlord shall pay directly to Contractor for Tenant's account.
- c) Prior to commencing construction of the Improvements, Landlord shall submit to Tenant a written statement showing the total anticipated cost of the Improvements, which statement shall include Contractor's overhead and profit, and an estimate of all fees, and shall also include a five percent (5%) administrative fee payable to the managing agent of Landlord for supervision of completion of the construction.

Tenant's failure to give written approval of such statement within five (5) working days after submission thereof shall be conclusively deemed a disapproval of such statement, and Contractor shall not commence the Improvements. Any delay of Tenant, after the expiration of ten (10) days from receipt of Landlord's statement, to provide Landlord with a revised scope of work and written approval of a revised cost statement therefor shall be considered a Tenant delay, assessable against Tenant pursuant to the provisions of Subsection 2 (e) hereinbelow.

- d) Tenant agrees to pay Landlord within five (5) working days after receipt of Landlord's billing for the estimated cost of all the Improvements in excess of the Allowance and/or for the actual costs of any Tenant Change. Tenant's failure to make such payment timely, as specified herein, shall release Landlord from any obligation to commence or continue construction of the Improvements until Landlord receives any such amount, and each of Tenant's continued failure to make payment shall be treated as a Tenant delay, assessable against Tenant pursuant to the provisions of Subsection 2 (e) hereinbelow.

Tenant hereby authorizes Landlord to pay Contractor interim payments from the funds so deposited towards completion of the Improvements, except that Landlord shall retain the sum of ten percent (10%) of the total cost of Improvements, as revised by Tenant Changes, if any, until such time as:

- (i) Tenant has advised Landlord of its approval of completion of the Improvements, which approval shall not be unreasonably withheld, conditioned or delayed; or
- (ii) Contractor has provided reasonable documentation that the Improvements, pursuant to the original scope of work, have been reasonably completed.

Within thirty (30) business days after Contractor has reasonably completed the Improvements, Landlord shall provide Tenant with a final statement, indicating any difference between the estimated cost of the Improvements, the final cost of the Improvements; any initial or interim payments made by Tenant towards completion thereof; the amount of Allowance contributed and the balance owing from or to Tenant. Any balance owed to Tenant shall be returned with such statement, and any shortfall due Landlord shall be paid within five (5) days after Tenant's receipt of Landlord's billing.


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EXHIBIT B (continued)
IMPROVEMENT CONSTRUCTION AGREEMENT

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- e) Any delay caused by Tenant shall be a material breach of this Lease, and in addition to any other remedies available to Landlord hereunder, Tenant shall be assessed a penalty therefor, by decreasing the Allowance in an amount equal to the daily value of Monthly Fixed Rent, computed by dividing the Monthly Fixed Rent by 30 days, and multiplying this figure by the total number of days Tenant failed to perform as required hereunder.
- f) Landlord and Tenant agree that if the Improvements are actually constructed by Contractor at a cost which is less than the Allowance, there shall be no monetary adjustment between Landlord and Tenant and the cost savings shall accrue to the benefit of Landlord.

Section 3. Plans and Specifications. Tenant shall, through Landlord's architect or space planner, provide such information and directions as are necessary to complete the architectural and engineering Plans and Specifications required for the construction of the Improvements. Tenant shall provide instructions to Landlord's architect or space planner so as to meet the Schedule of Approvals set forth in Paragraph 5 below. Notwithstanding Tenant's obligation to provide instructions to Landlord's architect or space planner, all Plans and Specifications referred to herein are subject to Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed.

Section 4. Completion of Work Not included as Improvements. Any work not shown in the final construction Plans and Specifications, including but not limited to, telephone service, furnishings, installation of Tenant's trade fixtures or cabinetry (collectively "Tenant Work"), shall be separately contracted and paid for by Tenant. Tenant shall obtain Landlord's written approval of Tenant's suppliers and contractors prior to commencement of any Tenant Work.

Landlord shall give reasonable access to Tenant's suppliers and contractors so as to achieve timely completion of any Tenant Work. Notwithstanding Landlord's obligation to provide such access, completion of all Tenant Work shall be subject to Landlord's supervision, policies and procedures, and shall be scheduled with Contractor and completed in such a manner as to not unreasonably hinder or delay completion of the Improvements.

Section 5. Schedule of Approvals. Subject to Force Majeure, Tenant shall comply with the following Schedule of Approvals:

<u>Event</u>	<u>Time</u>
a) Deadline by which Tenant shall have met with Landlord's space planner.	On or before April 15, 2000
b) Deadline for space plan approval.	On or before May 15, 2000
c) Deadline for notifying Landlord of Tenant's selection of finishes and materials.	On or before June 1, 2000
d) Deadline for Tenant's approval of final Plans, Specifications and working drawings.	On or before June 15, 2000
e) Deadline for Tenant's approval of Landlord's cost estimate of Improvements.	On or before June 30, 2000

Section 6. Construction Insurance Requirements. Contractor, at its sole expense, shall obtain and maintain public liability and workmen's compensation insurance adequate to protect Tenant and Landlord from and against any and all liability for death or injury to persons or damage to property caused in or about the Expansion Space by reason of completion of the Improvements.

Tenant shall, at Tenant's sole expense, either obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to persons or damage to property caused in or about the Expansion Space by reason of completion of any Tenant Work, or shall cause Tenant's contractors or subcontractors to provide such insurance.


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EXHIBIT B (continued)
IMPROVEMENT CONSTRUCTION AGREEMENT

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Section 7. Completion of Punch List. Prior to Tenant's taking occupancy of the Expansion Space, a representative of each of Landlord and Tenant shall conduct a joint inspection of the Expansion Space for the purpose of developing a "punch list" of Tenant Improvement items, if any, that require repair or correction by Landlord. Provided that said items were included within the original plans, Landlord shall diligently proceed to correct those items within thirty (30) days of receipt of Tenant's list. Tenant's failure or refusal to participate in such inspection in a timely manner (provided Tenant has received reasonable notice of the readiness of the Expansion Space for such inspection), shall constitute Tenant's waiver of its rights pursuant to this Section 7.

Section 8. Construction Warranties. Landlord agrees that, subject to Tenant's performance hereunder, Landlord shall complete the Improvements, and shall correct any construction defects about which Tenant notifies Landlord in writing within one (1) year following the Commencement Date. Tenant's right to repair of any defect shall be extended for such longer period as may be covered by warranties provided by Contractor or subcontractor(s).

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT AND COMPANY,
its agent

By: [Signature]
Kenneth Panzer

Dated: 2/22/00

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
a California limited liability company

By: [Signature]

Signer's Name: Scott Dubehansley
 President Vice President or Chief Executive Officer
(Check Title Above)
and

By: [Signature]

Signer's Name: TRD RIVILLE
 Secretary Treasurer or Chief Financial Officer
(Check Title Above)

Dated: February 29, 2000

Douglas,
Emmett &
Company

808 WILSHIRE BOULEVARD, SUITE 200
SANTA MONICA, CALIFORNIA 90401

TELEPHONE (310) 255-7700
FAX (310) 255-7701

April 18, 2001

VIA CERTIFIED MAIL

Mr. Scott Dubchansky
Metropolitan West Asset Management
11766 Wilshire Boulevard, Suite 1580
Los Angeles, California 90025


Re: **Fourth Amendment to Office Lease**
11766 Wilshire Boulevard, Suite 1660

Dear Mr. Dubchansky:

We are pleased you have chosen to expand your premises at the Landmark II building. Enclosed for your records is a fully executed Fourth Amendment to Office Lease dated March 16, 2001 by and between Douglas Emmett Realty Fund 1995, a California limited partnership and Metropolitan West Asset Management, a California limited liability company.

If there is anything we can do to assist you, please contact your property manager, Carey Cooper at (310) 478-8444. We look forward to your continued occupancy at the Landmark II building.

Sincerely,


Ken Panzer
President

KP:awh

Enclosure

cc: Carey Cooper
John Stern, CRESA Partners

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FOURTH AMENDMENT TO OFFICE LEASE

This Fourth Amendment to Office Lease (the "Fourth Amendment"), dated March 16, 2001, is made by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998, as amended by that certain First Amendment to Office Lease, dated March 2, 1999, that certain Second Amendment to Office Lease, dated September 27, 1999, and that certain Third Amendment to Office Lease, dated February 25, 2000 (collectively, the "Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building") consisting of 4,577 rentable square feet and commonly known as Suites 1560 and 1580 (the "Original Premises"); 12,586

B. Tenant wishes to expand its occupancy within the Building to include additional office space in the Building, commonly known as Suite 1600 (the "Expansion Space"), as shown on Exhibit A-1, which expansion Landlord has conditionally permitted, contingent upon Tenant's acceptance of and compliance with the provisions of this Fourth Amendment; and

C. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of the Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Fourth Amendment.
2. **Effective Date of Expansion.** The expansion contemplated hereunder shall be effective the next business day after the date Landlord substantially completes the "Improvements" contemplated under Section 8 below (the "Effective Date") but in no event earlier than June 1, 2001. The anticipated Effective Date is June 1, 2001. The lease term for the Expansion Space shall commence on the Effective Date and shall expire on July 31, 2004, concurrently with the lease term for the Original Premises.


Landlord shall use commercially reasonable efforts to provide Tenant a minimum of two (2) weeks prior written notice of the date Landlord reasonably anticipates Tenant shall be able to take possession of the Expansion Space.


Provided that Tenant does not delay Landlord's completion of the Improvements, Tenant may enter the Expansion Space up to one (1) calendar week prior to the Effective Date, solely for the purpose of installing Tenant's furniture, fixtures and equipment, computer and telephone cabling. Said early entry shall be subject to Tenant complying with all of the provisions and covenants contained herein, except that Tenant shall not be obligated to pay any increase in Monthly Fixed Rent or Additional Rent that Tenant is required to pay hereunder attributable to the Expansion Space until the Effective Date. If Tenant's early possession does so delay completion of the Improvements, then the Effective Date shall be deemed to be the date that Landlord would have completed the Improvements (but in no event earlier than June 1, 2001), if no such delay would have occurred.


If for any reason Landlord is unable to deliver possession of the Expansion Space to Tenant on the anticipated Effective Date, the provisions of this Fourth Amendment shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession. However, Tenant shall not be obligated to pay the increase in Monthly Fixed Rent or Additional Rent that Tenant is required to pay hereunder attributable to the Expansion Space until possession of the Expansion Space has been delivered to Tenant by Landlord. Except for such delay in the commencement of any such increase in Rent, Landlord's failure to give possession on the Effective Date shall in no way affect Tenant's obligations hereunder.


If possession of the Expansion Space is not tendered by Landlord within one hundred twenty (120) days after the Effective Date, then Tenant shall have the right to terminate the provisions of this Fourth Amendment by giving written notice to Landlord, which notice shall be given within ten (10) days after Landlord's failure to so deliver. If such notice of termination is not given by Tenant within said ten (10) day time period, then this Fourth Amendment shall continue in full force and effect.

If possession of the Expansion Space is not tendered within one hundred eighty (180) days after the Effective Date, then this Fourth Amendment, and the rights and obligations of Landlord and Tenant hereunder, shall terminate automatically, without further liability by either party to the other, and without further documentation being required.


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3. **Expansion of Premises.** As of the Effective Date, the definition of the Premises shall be revised to include both the Original Premises and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Original Premises and the Expansion Space together, as if the same had been originally included in said Lease.

As of the Effective Date, the Usable Area of the Premises shall increase by 3,870 square feet from 10,626 square feet to 14,496 square feet and the Rentable Area of the Premises shall increase by 4,577 square feet from 12,586 square feet to 17,163 square feet.

Landlord and Tenant agree that the Usable Area of the Expansion Space has been measured according to the June, 1996 standards published by the Building Owners' and Managers' Association ("BOMA"), and that Landlord is utilizing a deemed add-on factor of 18.28% to compute the Rentable Area of the Expansion Space. Rentable Area herein is calculated as 1.1828 times the estimated Usable Area, regardless of what the actual square footage of the common areas of the Building may be, and whether or not they are more or less than 18.28% of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant further agree that even if the Rentable or Usable Area of the Expansion Space and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of the Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Expansion Space, as the case may be.

4. **Revision in Tenant's Share.** As of the Effective Date, Tenant's Share, as specified in Article 3 of the Lease, solely with respect to the Expansion Space, shall be 1.18%.
5. **Revision in Monthly Fixed Rent.** Commencing on the Effective Date, and continuing through the last calendar day of the twelfth (12th) calendar month following the Effective Date, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall be \$15,790.65 per month.

Commencing the first calendar day of the thirteenth (13th) calendar month following the Effective Date, and continuing through the last calendar day of the twenty-fourth (24th) calendar month following the Effective Date, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$15,790.65 per month to \$16,422.28 per month.

Commencing the first calendar day of the twenty-fifth (25th) calendar month following the Effective Date, and continuing through the last calendar day of the thirty-sixth (36th) calendar month following the Effective Date, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$16,422.28 per month to \$17,079.17 per month.

Commencing the first calendar day of the thirty-seventh (37th) calendar month following the Effective Date, and continuing throughout the remainder of the Term, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$17,079.17 per month to \$17,762.33 per month.

Concurrent with Tenant's execution and delivery to Landlord of this Fourth Amendment, Tenant shall pay to Landlord the Monthly Fixed Rent due for the Expansion Space and the increase in the Security Deposit set forth in Section 7 below.

6. **Base Year.** As of the Effective Date, the Base Year for Tenant's payment of increases in Operating Expenses (as defined in Article 3 of the Lease), solely as it relates to the Expansion Space, shall be calendar year 2001.
7. **Increase in Security Deposit.** Landlord acknowledges that it currently holds the sum of \$39,488.93 as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Extended Term, unless otherwise applied pursuant to the provisions of the Lease. Concurrent with Tenant's execution and delivery to Landlord of this Fourth Amendment, Tenant shall tender the sum of \$17,762.33, which amount Landlord shall add to the cash Security Deposit already held by Landlord, so that thereafter, throughout the Extended Term, provided the same is not otherwise applied, Landlord shall hold a total of \$57,251.26 as a Security Deposit on behalf of Tenant.
8. **Acceptance of Premises.** Tenant acknowledges that it has been in possession of the Original Premises for over two (2) years and that to the best of Tenant's knowledge as of the date hereof, Tenant has no claim against Landlord in connection with the Original Premises or the Lease. Tenant has made its own inspection of and inquiries regarding the Original Premises and the Expansion Space, both of which are already improved. Therefore, except as provided otherwise in this Section 8, Tenant accepts the Original Premises and the Expansion Space in their "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Original Premises, the Expansion Space, or the Building for the purposes intended by Tenant.

Prior to Tenant's occupancy of the Expansion Space, Landlord shall, at Landlord's sole expense, complete the following improvements to the Expansion Space:

- a) Repaint the interior walls that were previously painted, using Building standard materials and a maximum of two (2) coats of paint, in a single color reasonably acceptable to Tenant; and
- b) Replace the carpeting, base molding and padding, using Building standard materials in a single color for each that is reasonably acceptable to Tenant (collectively the "Improvements").

If Tenant elects to make any other improvements to the Premises during the Extended Term, the same shall be considered a Tenant Change, to be completed by Tenant, at Tenant's sole expense, pursuant to the provisions of Article 12 of the Lease.



Initial



Initial



Initial



Initial

FOURTH AMENDMENT TO OFFICE LEASE (continued)

- 9. **Parking.** As of the Effective Date, the number of unreserved parking permits Tenant is entitled to purchase pursuant to the provisions of Article 26 of the Lease shall be increased by twelve (12).
- 10. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this Fourth Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the corporation executing hereinbelow is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Fourth Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.
- 11. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Fourth Amendment other than Douglas, Emmett and Company and CRESA Los Angeles. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Fourth Amendment.
- 12. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Fourth Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.
- 13. **Successors and Heirs.** The provisions of this Fourth Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
- 14. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Fourth Amendment, until both Landlord and Tenant have executed and delivered this Fourth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Fourth Amendment.
- 15. **Disclosure.** Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors and P.L.E. Builders.
- 16. **Governing Law.** The provisions of this Fourth Amendment shall be governed by the laws of the State of California.
- 17. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT AND COMPANY,
its agent

By: Kenneth Panzer

Dated: 3/16/01

TENANT:

METROPOLITAN WEST ASSET
MANAGEMENT, a California limited liability
company

By: Scott Dubinovsky

Signer's Name: Scott Dubinovsky
Managing Director
 President Vice President or Chief Executive Officer
(Check Title Above)

and

By: _____

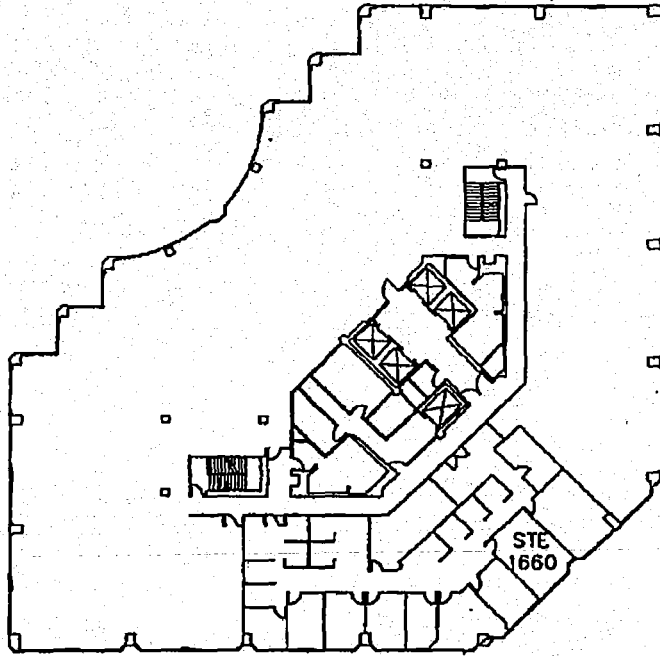
Signer's Name: _____
 President Vice President or Chief Executive Officer
(Check Title Above)

Dated: March 23, 2001





AP H K _____
Initial Initial Initial Initial

ORIGINAL

EXHIBIT A-1 - EXPANSION SPACE PLAN
Suite 1660 at 11766 Wilshire Boulevard, Los Angeles, California 90025
Rentable Area: approximately 4,577 square feet
Usable Area: approximately 3,870 square feet
(Measured pursuant to the provisions of Section 3 of the Fourth Amendment to Office Lease)



LANDMARK INVEST WEST LOMarch 16, 2001

   
Initial Initial Initial Initial

Douglas,
Emmett &
Company

808 WILSHIRE BOULEVARD, SUITE 200
SANTA MONICA, CALIFORNIA 90401

TELEPHONE (310) 255-7700
FAX (310) 255-7701

June 25, 2001

VIA CERTIFIED MAIL

Mr. Scott Dubchansky
Metropolitan West Asset Management
11766 Wilshire Boulevard, Suite 1580
Los Angeles, California 90025

Re: **Fifth Amendment to Office Lease**
11766 Wilshire Boulevard, Suite 1660

Dear Mr. Dubchansky:

We hope you have settled into your additional office space at the Landmark II building. Enclosed for your records is one (1) fully executed copy of the Fifth Amendment to Office Lease dated June 12, 2001 by and between Douglas Emmett Realty Fund 1995, a California limited partnership and Metropolitan West Asset Management, a California limited liability company.

If there is anything we can do to make your occupancy more comfortable, please do not hesitate to contact your property manager, Carey Cooper at (310) 478-8444. We look forward to a continued long and mutually rewarding relationship with your firm.

Sincerely,



Michael J. Means
Vice President

MJM:awh

Enclosure

cc: Carey Cooper

FIFTH AMENDMENT TO OFFICE LEASE

This Fifth Amendment to Office Lease (the "Fifth Amendment"), dated June 12, 2001, is made by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998, as amended by that certain First Amendment to Office Lease, dated March 2, 1999, that certain Second Amendment to Office Lease, dated September 27, 1999, and that certain Third Amendment to Office Lease, dated February 25, 2000 (collectively, the "Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building") commonly known as Suites 1560 and 1580 (the "Original Premises");

B. Landlord and Tenant subsequently entered into that certain Fourth Amendment to Office Lease, dated March 16, 2001 (the "Fourth Amendment") pursuant to which Tenant expanded its occupancy in the Building to include Suite 1660 (the "Expansion Space");

C. The provisions of the Fourth Amendment specify that the Effective Date of Expansion shall be the next business day after the date Landlord substantially completes the Improvements for which Landlord is obligated under the Fourth Amendment;

D. The Improvements were completed on May 31, 2001;

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Fifth Amendment.
2. **Confirmation of Effective Date and Term.** The Effective Date is hereby confirmed to be June 1, 2001 and the Term is hereby confirmed from and including June 1, 2001 to and including July 31, 2004.
3. **Confirmation of Monthly Fixed Rent.** Tenant acknowledges and agrees commencing June 1, 2001 and continuing through May 31, 2002, the initial Monthly Fixed Rent payable by Tenant for the Expansion Space shall be \$15,790.65 per month, and;

Commencing June 1, 2002 and continuing through May 31, 2003, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$15,790.65 per month to \$16,422.28 per month;





Commencing June 1, 2003 and continuing through May 31, 2004, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$16,422.28 per month to \$17,079.17 per month; and

Commencing June 1, 2004 and continuing throughout the remainder of the initial Term, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$17,079.17 per month to \$17,762.33 per month.

4. **Acceptance of Premises.** Tenant acknowledges and agrees that Landlord has completed the Improvements for which Landlord was obligated under the Lease to Tenant's satisfaction, and, as of the Effective Date, the Expansion Space was in good order and repair.
5. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this Fifth Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the corporation executing hereinbelow is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Fifth Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

If either signatory hereto is a corporation, the person(s) executing on behalf of said entity shall affix the appropriate corporate seal to each area in the document where request therefor is noted, and the other party shall be entitled to conclusively presume that by doing so the entity for which said corporate seal has been affixed is attesting to and ratifying this Fifth Amendment.

6. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Fifth Amendment other than Douglas, Emmett and Company and CRESA Partners. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Fifth Amendment.
7. **Successors and Heirs.** The provisions of this Fifth Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
8. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Fifth Amendment shall not be divulged to anyone not directly involved in the management,

administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.

- 9. **Disclosure.** Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors, Douglas Emmett and Company, and P.L.E. Builders.
- 10. **Governing Law.** The provisions of this Fifth Amendment shall be governed by the laws of the State of California.
- 11. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT REALTY FUND
1995, a California limited partnership

By: **DOUGLAS, EMMETT AND COMPANY,**
its agent

By: *Michael J. Means*
Michael J. Means, its Vice President

Dated: 6/25/01

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
a California limited liability company

By: *Scott Dubikansky*
Signer's Name: Scott Dubikansky
() President () Vice President or (X) Chief Executive Officer
(Check Title Above)

and
By: *Joseph D. Hattesch*
Signer's Name: Joseph D. Hattesch
() Secretary () Treasurer or (X) Chief Financial Officer
(Check Title Above)

Dated: 6/14/01

SIXTH AMENDMENT TO OFFICE LEASE

This Sixth Amendment to Office Lease (the "Sixth Amendment"), dated February 22, 2002, is made by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998, as amended by that certain First Amendment to Office Lease, dated March 2, 1999, that certain Second Amendment to Office Lease, dated September 27, 1999, that certain Third Amendment to Office Lease, dated February 25, 2000, that certain Fourth Amendment to Office Lease, dated March 16, 2001, and that certain Fifth Amendment to Office Lease, dated June 12, 2001) (collectively, the "Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suites 1560, 1580 and 1660 (the "Existing Premises");

B. Tenant wishes to expand its occupancy within the Building to include additional office space in the Building, commonly known as Suite 1650 (the "Expansion Space"), which expansion Landlord has conditionally permitted, contingent upon Tenant's acceptance of and compliance with the provisions of this Sixth Amendment and Landlord moving Landlord's Office of the Building from the Expansion Space to make it available for occupancy by Tenant by April 1, 2002;

C. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Sixth Amendment.
2. **Effective Date of Expansion.** Contingent upon Landlord's relocation of the Office of the Building from the Expansion Space, the expansion contemplated hereunder shall be effective April 1, 2002 (the "Effective Date") through and including midnight on July 31, 2004 (the "Expansion Term").

If for any reason Landlord is unable to deliver possession of the Expansion Space to Tenant on the anticipated Effective Date, the provisions of this Sixth Amendment shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession. However, Tenant shall not be obligated to pay the increase in Monthly Fixed Rent or Additional Rent that Tenant is required to pay hereunder until possession of the Expansion Space has been delivered to Tenant by Landlord. Except for such delay in the commencement of any increase in Rent, Landlord's failure to give possession on the anticipated Effective Date shall in no way affect Tenant's obligations hereunder.

If possession of the Expansion Space is not tendered by Landlord within sixty (60) days after the anticipated Effective Date, then Tenant shall have the right to terminate the provisions of this Sixth Amendment by giving written notice to Landlord, which notice shall be given within ten (10) days after Landlord's failure to so deliver. If such notice of termination is not given by Tenant within said ten (10) day time period, then this Sixth Amendment shall continue in full force and effect.

If possession of the Expansion Space is not tendered within ninety (90) days after the anticipated Effective Date, then this Sixth Amendment, and the rights and obligations of Landlord and Tenant hereunder, shall terminate automatically, without further liability by either party to the other, and without further documentation being required; provided however within thirty (30) days after the termination of this Sixth Amendment pursuant to this Section 2, Landlord shall return (i) the first month's rent for the Expansion Term; (ii) the Additional Fee referred to in Section 5 below; and (iii) the Additional Security Deposit referred to in Section 11 below.

3. **Expansion of Premises.**

3.1 Contingent upon Landlord's relocation of the Office of the Building from the Expansion Space, as of the Effective Date, the definition of the Premises shall be revised to include both the Existing Premises and the Expansion Space, and wherever in the original Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Space together, as if the same had been originally included in said Lease. Further, as of the Effective Date, the Usable Area of the Premises shall increase by approximately 1,025 square feet from 14,496 square feet to 15,521 square feet and the Rentable Area of the Premises shall increase by approximately 1,212 square feet from 17,163 square feet to 18,375 square feet, subject to re-measurement below.

3.2 Landlord and Tenant agree that within thirty (30) days after the full execution of this Sixth Amendment, a recalculation of the Rentable Area of the Expansion Space shall be made by Stevenson Systems, Inc., an independent planning firm, in accordance with the June, 1996 standards set forth by the Building Owners and Managers Association. Such determination shall be determinative unless patently unreasonable. Tenant and Landlord agree to execute an amendment to the Lease, documenting the revised usable areas as documented by Stevenson Systems.

SIXTH AMENDMENT TO OFFICE LEASE (continued)

Landlord and Tenant further agree that the Rentable Area of the Expansion Space shall be calculated on the basis of 1.1828 times the estimated Usable Area, regardless of what actual common areas of the Building may be, or whether they may be more or less than 18.28% of the total estimated Usable Area of the Building, and is provided solely to give a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant further agree that once the Rentable Area and Usable Area of the Expansion Space have been determined as specified hereinabove, even if later either party alleges that the actual Rentable Area or Usable Area of the Expansion Space is more or less than the figures stated herein; and whether or not such figures are inaccurate, for all purposes of the Lease, the Rentable and Usable figures agreed upon shall be conclusively deemed to be the Rentable Area, or Usable Area of the Expansion Space, as the case may be.

If the Rentable Area of the Expansion Space is increased or decreased pursuant to this Section 3.2, then as of the Effective Date, the initial Fixed Monthly Rent for the Expansion Space shall be recalculated based on \$3.00 per square foot of Rentable Area, per month.

If the Rentable Area of the Expansion Space is increased or decreased, pursuant to the provisions of Section 3.2 of this Lease, then the increases in Fixed Monthly Rent for the Expansion Space shall be appropriately increased or decreased to result in an increase in said Fixed Monthly Rent of three percent (3%) per annum, cumulative over the Expansion Term.

If the Usable Area of the Expansion Space is increased or decreased pursuant to this Section 3.2, then "Tenant's Share", solely as it applies to the Expansion Space and pursuant to Article 3, shall be increased or decreased equally, by dividing the newly calculated Usable Area of the Expansion Space by the Usable Area of the Building.

Notwithstanding anything to the contrary contained herein, if the Usable Area of the Expansion Space is increased or decreased, pursuant to the provisions of Section 3.2, then the total number of parking permits to which Tenant shall be entitled shall be revised to equal three (3) permits per 1,000 square foot of Usable Area contained in the Expansion Space.




4. **Revision in Monthly Fixed Rent.** Contingent upon Landlord's relocation of the Office of the Building from the Expansion Space, commencing as of the Effective Date, and continuing through the last calendar day of the twelfth (12th) month of the Expansion Term, the Monthly Fixed Rent to be paid by Tenant for the Expansion Space shall be \$3,636.00 per month; and

Commencing the first calendar day of the thirteenth (13th) month of the Expansion Term, and continuing through to the last calendar day of the twenty-fourth (24th) month of the Expansion Term, the Monthly Fixed Rent to be paid by Tenant for the Expansion Space shall increase from \$3,636.00 per month to \$3,745.08 per month; and

Commencing first calendar day of the twenty-fifth (25th) month of the Expansion Term and continuing throughout the remainder of the Expansion Term, the Monthly Fixed Rent to be paid by Tenant for the Expansion Space shall increase from \$3,745.08 per month to \$3,857.43 per month.

Concurrently with Tenant's execution and delivery of this Sixth Amendment, Tenant shall pay to Landlord an amount equal to: (i) the first (1st) month's rent for the Expansion Term, (ii) the Additional Fee referred to in Section 5 below, and (iii) the Additional Security Deposit referred to in Section 11 below.

5. **Additional Fee.** Concurrently with Tenant's execution and delivery of this Sixth Amendment, Tenant shall pay to Landlord an amount equal to \$16,441.00 (the "Additional Fee") in consideration of Landlord's relocating the Office of the Building from the Expansion Space to accommodate Tenant's desire to lease and occupy the Expansion Space.
6. **Tenant's Share.** As of the Effective Date, Tenant's Share, as specified in Article 3 of the Lease, solely as it relates to the Expansion Space, shall be .31%.
7. **Base Year.** As of the Effective Date, the Base Year for Tenant's payment of increases in Operating Expenses (as defined in Article 3 of the Lease), solely as it relates to the Expansion Space, shall be calendar year 2002.
8. **Use.** The Expansion Space shall only be used for the purposes specifically permitted in Article 6 of the Lease.
9. **Increase in Parking Permits.** The number of unreserved parking spaces to which Tenant shall be entitled under the terms of the Lease shall be increased by three (3) as of the Effective Date, at the prevailing monthly parking lease rates in effect, which may change from time to time.
10. **Acceptance of Premises.** Tenant acknowledges that it has been in possession of the Existing Premises for over three (3) years and that the best to Tenant's knowledge as of the date hereof, Tenant has, no claim against Landlord in connection with the Existing Premises or the Lease. Tenant has made its own inspection of and inquiries regarding both the Existing Premises and the Expansion Space, both of which are already improved, and Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Existing Premises, the Expansion Space, or the Building for the purposes intended by Tenant.
11. **Security Deposit.** Landlord acknowledges that it currently holds the sum of \$57,251.26 as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Extended Term, unless otherwise depleted pursuant to the provisions of the Lease. Concurrent with Tenant's execution and tendering to Landlord of this Sixth Amendment, Tenant shall tender the sum of \$3,745.08 (the "Additional Security Deposit"), which amount Landlord shall add to the Security

 Initial Initial Initial Initial

SIXTH AMENDMENT TO OFFICE LEASE (continued)

Deposit already held by Landlord, so that thereafter, throughout the Extended Term and Expansion Term, provided the same is not otherwise depleted, Landlord shall hold a total of \$60,996.34 as a Security Deposit on behalf of Tenant.

- 12. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Sixth Amendment other than Douglas, Emmett and Company and CRESA Partners Los Angeles. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Third Amendment.
- 13. **Successors and Heirs.** The provisions of this Sixth Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
- 14. **Confidentiality.** Landlord and Tenant shall each use commercially reasonable efforts to ensure that the covenants and provisions of this Sixth Amendment are not discussed with anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker or record.
- 15. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Sixth Amendment, until both Landlord and Tenant have executed and delivered this Sixth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Sixth Amendment.
- 16. **Disclosure.** Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors, Douglas, Emmett & Company, and P.L.E. Builders.
- 17. **Governing Law.** The provisions of this Sixth Amendment shall be governed by the laws of the State of California.
- 18. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended by the documents contained in Recital A hereinabove, and as further amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:
DOUGLAS EMMETT REALTY FUND 1995,
 a California limited partnership

By: DOUGLAS, EMMETT AND COMPANY,
 a California corporation
 its agent

By: Michael J. Means
 Michael J. Means, Vice President

Dated: 2/28/2002

TENANT:
METROPOLITAN WEST ASSET MANAGEMENT,
 a California limited liability company

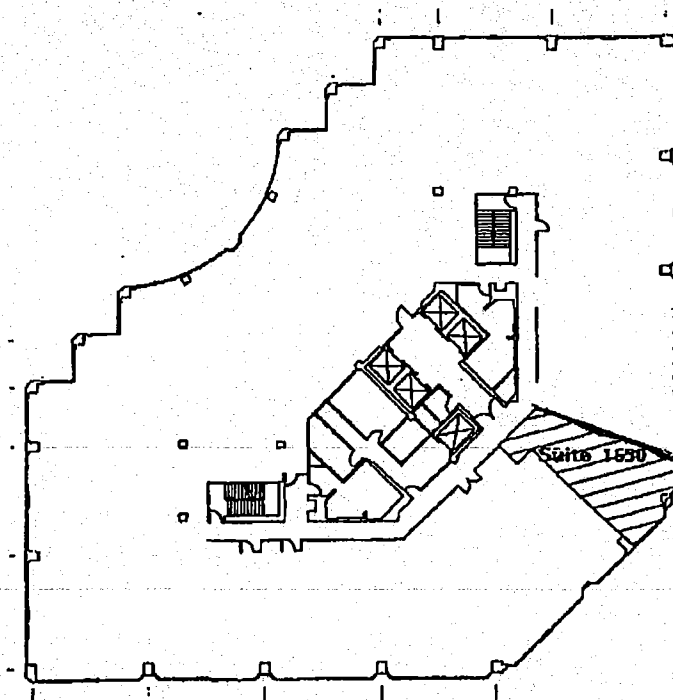
By: Scott Dubchansky
 Signer's Name: Scott Dubchansky
 Its: CEO

Dated: February 26, 2002

Joseph Hattasoli
 Joseph Hattasoli
 CFO
2/26/02

ORIGINAL

EXHIBIT A-1 - EXPANSION SPACE PLAN
Suite 1650 at 11766 Wilshire Boulevard, Los Angeles, California 90025
Rentable Area: approximately 1,212 square feet
Usable Area: approximately 1,025 square feet
(To be re-measured pursuant to the provisions of Paragraph 3.2 of the Sixth Amendment to Office Lease)



ORIGINAL

SEVENTH AMENDMENT TO OFFICE LEASE

This Seventh Amendment to Office Lease (the "Seventh Amendment"), dated October 7, 2003, is made by and between DOUGLAS EMMETT REALTY FUND 1995, a California limited partnership ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Original Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises");

B. Landlord and Tenant subsequently entered into that certain First Amendment to Office Lease, dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Second Amendment"), pursuant to which Tenant leased Suite 1560 of the Building, that certain Third Amendment to Office Lease, dated February 25, 2000 (the "Third Amendment"), pursuant to which Tenant leased additional space on the fifteenth (15th) floor of the Building adjacent to (and which became a part of) the Original Premises, that certain Fourth Amendment to Office Lease, dated March 16, 2001 (the "Fourth Amendment"), pursuant to which Tenant leased Suite 1660 of the Building, that certain Fifth Amendment to Office Lease, dated June 12, 2001 (the "Fifth Amendment"), and that certain Sixth Amendment to Office Lease, dated February 22, 2002 (the "Sixth Amendment"), pursuant to which Tenant leased Suite 1650 of the Building;

C. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the Sixth Amendment shall be sometimes hereinafter collectively referred to as the "Lease";

D. The Original Premises and Suite 1560 are collectively and commonly known as, and shall be hereinafter referred to as, "Suite 1500"

E. Suite 1500, Suite 1660 and Suite 1650 shall be sometimes hereinafter collectively referred to as the "Premises";

F. Tenant wishes to (i) return possession of Suites 1650 and 1660 to Landlord effective as January 31, 2004, as more particularly set forth in Paragraph 2 below, and (ii) lease that portion of the fifteenth (15th) floor of the Building commonly known as Suite 1550 (which contains 7,425 square feet of Rentable Area and which shall be hereinafter referred to as the "Expansion Space") as more particularly set forth in Paragraphs 3 and 4 below; and

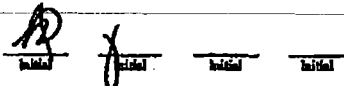
G. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. Confirmation of Defined Terms. Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Seventh Amendment.
2. Surrender of Suites 1650 and 1660. Tenant shall vacate Suites 1650 and 1660 on or before January 31, 2004 (the "Surrender Date") and shall tender possession thereof to Landlord in good condition and repair (reasonable wear and tear excepted), broom-clean, free of Tenant's furniture, fixtures, equipment, personal property and debris. If Tenant vacates Suites 1650 and 1660, but leaves any property, trash or debris therein, or if there is any damage to Suites 1650 and 1660 beyond reasonable wear and tear, then the costs incurred by Landlord in the removal or repair of such items shall be billed directly to Tenant as additional rent, or at Landlord's sole option, deducted from the Security Deposit. Tenant shall remain liable for all obligations under the Lease with respect to Suites 1650 and 1660 that accrue prior to the Surrender Date.
3. Effective Date of Expansion. The expansion contemplated hereunder shall be effective as of February 1, 2004 (the "Effective Date"). The term of the Lease with respect to the Expansion Space shall expire on July 31, 2004.
4. Expansion of Premises.

As of the Effective Date, the definition of the Premises shall be revised to include Suite 1500 and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to Suite 1500 and the Expansion Space together. Further, as of the Effective Date, the Usable Area of the Premises shall increase to 16,891 square feet, and the Rentable Area of the Premises shall increase to 20,018 square feet.

Landlord and Tenant agree that the Usable Area of Suite 1500 and the Expansion Space has been recently measured according to the June, 1996 standards published by the Building Owners' and Managers' Association ("BOMA"), and that Landlord is utilizing a deemed add-on factor of 18.51% to compute the Rentable Area of Suite the Expansion Space. Rentable Area herein is calculated as 1.1851 times the estimated Usable Area, regardless of what the actual square footage of the common areas of the Building may be, and whether or not they are more or less than 18.51% of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.



SEVENTH AMENDMENT TO OFFICE LEASE (continued)

Landlord and Tenant further agree that even if the Rentable or Usable Area of Suite 1500 and the Expansion Space and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of the Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Expansion Space, as the case may be.

- 5. **Revision in Monthly Fixed Rent.** Commencing as of the Effective Date, and continuing throughout the remainder of the Term, the Monthly Fixed Rent to be paid by Tenant for the Expansion Space shall be \$21,903.75 per month.
- 6. **Tenant's Share.** As of the Effective Date, Tenant's Share, solely as it relates to Suite 1500, shall be 3.23%
- 7. **Increase in Parking Permits.** The number of unreserved parking spaces to which Tenant shall be entitled under the terms of the Lease shall be increased by four (4) as of the Effective Date, at the prevailing monthly parking lease rates in effect, which may change from time to time.
- 8. **Acceptance of Premises.** Tenant acknowledges that to the best of Tenant's knowledge as of the date hereof, Tenant has, no claim against Landlord in connection with the Premises or the Lease. Tenant has made its own inspection of and inquiries regarding the Expansion Space, and Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Premises, the Expansion Space, or the Building for the purposes intended by Tenant.
- 9. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Seventh Amendment other than Douglas, Emmett and Company and CRESA Partners Los Angeles. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. It is expressly understood and agreed that Landlord shall not be obligated to pay any commissions to CRESA PARTNERS LOS ANGELES in connection with the execution of this Seventh Amendment.
- 10. **Successors and Heirs.** The provisions of this Seventh Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
- 11. **Confidentiality.** Landlord and Tenant shall each use commercially reasonable efforts to ensure that the covenants and provisions of this Seventh Amendment are not discussed with anyone not directly involved in the management, administration, ownership, leasing against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker or record.
- 12. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Seventh Amendment, until both Landlord and Tenant have executed and delivered this Seventh Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Seventh Amendment.
- 13. **Disclosure.** Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors, Douglas, Emmett & Company, and P.L.E. Builders.
- 14. **Governing Law.** The provisions of this Seventh Amendment shall be governed by the laws of the State of California.
- 15. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended by the documents contained in Recital A hereinabove, and as further amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:
DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership
By: DOUGLAS, EMMETT AND COMPANY,
a California corporation
its agent

By: Michael J. Means
Michael J. Means, Vice President

Dated: 10/24/03

TENANT:
METROPOLITAN WEST ASSET MANAGEMENT,
LLC,
a California limited liability company

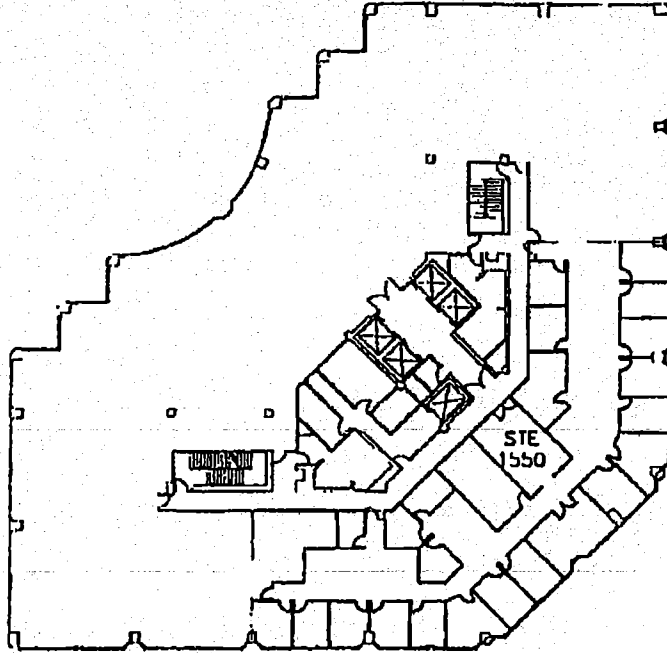
By: Scott DeShansky
Signer's Name: Scott DeShansky
Its: Managing Director

Dated: October 20, 2003

Michael J. Means Scott DeShansky
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ORIGINAL

EXHIBIT A-1 - EXPANSION SPACE PLAN
Suite 1550 at 11766 Wilshire Boulevard, Los Angeles, California 90025
Rentable Area: approximately 7,425 square feet
Usable Area: approximately 6,265 square feet
(Measured pursuant to the provisions of Paragraph 4.1 of the
Seventh Amendment to Office Lease)



ORIGINAL

EIGHTH AMENDMENT TO OFFICE LEASE

This Eighth Amendment to Office Lease (the "Eighth Amendment"), dated December 23, 2003, is made by and between DOUGLAS EMMETT REALTY FUND 1993, a California limited partnership ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

- A. Landlord, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Original Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises");
- B. Landlord and Tenant subsequently entered into that certain First Amendment to Office Lease, dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Second Amendment"), pursuant to which Tenant leased Suite 1560 of the Building, that certain Third Amendment to Office Lease, dated February 25, 2000 (the "Third Amendment"), pursuant to which Tenant leased additional space on the fifteenth (15th) floor of the Building adjacent to (and which become a part of) the Original Premises, that certain Fourth Amendment to Office Lease, dated March 16, 2001 (the "Fourth Amendment"), pursuant to which Tenant leased Suite 1660 of the Building, that certain Fifth Amendment to Office Lease, dated June 12, 2001 (the "Fifth Amendment"), that certain Sixth Amendment to Office Lease, dated February 22, 2002 (the "Sixth Amendment"), pursuant to which Tenant leased Suite 1650 of the Building, and that certain Seventh Amendment to Office Lease, dated October 7, 2003 (the "Seventh Amendment"), pursuant to which Tenant leased Suite 1550 of the Building;
- C. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment and the Seventh Amendment shall be sometimes hereinafter collectively referred to as the "Lease";
- D. The Original Premises and Suite 1560 are collectively and commonly known as, and shall be hereinafter referred to as, "Suite 1500";
- E. Suite 1500, Suite 1660 and Suite 1650 shall be sometimes hereinafter collectively referred to as the "Existing Premises";
- F. The Term of the Lease for the Existing Premises expires July 31, 2004, which Term Landlord and Tenant wish to hereby extend with respect to Suite Numbers 1500, 1550 and 1580 only;
- G. Tenant wishes to return possession of Suites 1650 and 1660 to Landlord retroactively effective as of December 1, 2003; and
- H. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

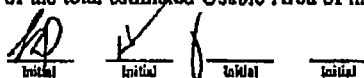
NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

- 1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Eighth Amendment.
- 2. **Surrender of Suites 1650 and 1660.** Tenant has vacated Suites 1650 and 1660 and retroactively on December 1, 2003 (the "Surrender Date") shall be deemed to have tendered possession thereof to Landlord in good condition and repair (reasonable wear and tear excepted), broom-clean, free of Tenant's furniture, fixtures, equipment, personal property and debris. If as a consequence of Tenant's surrender of Suites 1650 and 1660, Tenant leaves any property, trash or debris therein, or if there is any damage to Suites 1650 and 1660 beyond reasonable wear and tear, then the costs incurred by Landlord in the removal or repair of such items shall be billed directly to Tenant as additional rent, or at Landlord's sole option, deducted from the Security Deposit. Tenant shall remain liable for all obligations under the Lease with respect to Suites 1650 and 1660 that accrue prior to the Surrender Date.
- 3. **Extension of Term.** The Term of the Lease for Suite Numbers 1500, 1550 and 1580 is hereby extended five (5) years (the "Extended Term"), from and including August 1, 2004 (the "Effective Date"), through and including midnight on July 31, 2009 (the "Termination Date").
- 4. **Demised Premises.**

As of the Effective Date, the definition of the Premises shall collectively refer to Suite Numbers 1500, 1550 and 1580, the Usable Area of the Premises shall be 16,887 square feet, and the Rentable Area of the Premises shall be 20,011 square feet.

Landlord and Tenant agree that the Usable Area of Suite Numbers 1500, 1550 and 1580 have been recently measured according to the June, 1996 standards (ANSI Z 65.1-1996) promulgated and published by the Building Owners' and Managers' Association ("BOMA Standard"), and that Landlord is utilizing a deemed add-on factor of 18.51% to compute the Rentable Area of Suite Numbers 1500, 1550 and 1580. Rentable Area herein is calculated as 1.1851 times the estimated Usable Area, regardless of what the actual square footage of the common areas of the Building may be, and whether or not they are more or less than 18.51% of the total estimated Usable Area of the

LANDMARK IN METROPOLITAN WEST LG December 23, 2003


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EIGHTH AMENDMENT TO OFFICE LEASE (continued)

Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Notwithstanding the fact that Suite Numbers 1500, 1550 and 1580, as measured pursuant to the BOMA Standard consists of approximately 20,018 rentable square feet and 16,891 usable square feet, Landlord and Tenant agree that for the purposes of this Eighth Amendment, as of the Effective Date the Rentable Area of the Premises shall consist of approximately 20,011 square feet, and the Usable Area of the Premises shall consist of 16,887 square feet.

5. **Revision in Monthly Fixed Rent.** Subject to the rent abatement per Paragraph 5.1 below, commencing on the Effective Date, and continuing through July 31, 2005, the Monthly Fixed Rent payable by Tenant for the Premises shall be \$46,025.30 per month.

Commencing on August 1, 2005, and continuing through July 31, 2006, the Monthly Fixed Rent payable by Tenant for the Premises shall increase from \$46,025.30 per month to \$46,945.80 per month.

Commencing on August 1, 2006, and continuing through July 31, 2007, the Monthly Fixed Rent payable by Tenant for the Premises shall increase from \$46,945.80 per month to \$47,884.72 per month.

Commencing on August 1, 2007, and continuing through July 31, 2008, the Monthly Fixed Rent payable by Tenant for the Premises shall increase from \$47,884.72 per month to \$48,842.42 per month.

Commencing on August 1, 2008, and continuing throughout the remainder of the Extended Term, the Fixed Monthly Rent payable by Tenant for the Premises shall increase from \$48,842.42 per month to \$49,819.26 per month.

- 5.1 **Rent Abatement.** As of the Effective Date, Tenant shall be entitled to a rent abatement of the Monthly Fixed Rent due for August 2004, September 2004, October 2004, November 2004, and December 2004.

6. **Modification to Additional Rent.**

- 6.1 **Operating Expense Exclusions.** As of the Effective Date, Article 3, Subsection 3.1(c) shall be deleted and the following substituted in place thereof:

"Notwithstanding anything contained in the definition of Operating Expenses as set forth in Subsection 3.1 (b) of the Lease, Operating Expenses shall not include the following:

1. Costs associated with the operation of the business of the ownership or entity which constitutes "Landlord", as distinguished from the costs of building operations, including, but not limited to, partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, costs of any disputes between Landlord and its employees (if any) not engaged in Building operation, disputes of Landlord with Building management, or outside fees paid in connection with disputes with other tenants;

2. Costs incurred in connection with the construction of the Building or in connection with any major change in the Building, including but not limited to correcting defects in or inadequacy of the initial design or construction of the Building;

3. Depreciation, interest and principal payments on mortgages, and other debt costs, if any;

4. Costs of replacing any major mechanical systems serving the Building;

5. Costs associated with replacement and/or major repair to the roof;

6. Expenses directly resulting from the negligence of Landlord, its agents, servants or employees;

7. Legal fees, space planners' fees, real estate brokers' leasing commissions, and advertising expenses incurred in connection with the original development or original leasing of the Building or future leasing of the Building;

8. Costs for which Landlord is reimbursed by its insurance carrier or any tenant's insurance carrier;

9. Any bad debt loss, rent loss, or reserves for bad debts or rent loss;





10. The expense of extraordinary services provided to other tenants in the Building;

11. The wages of any employee who does not devote substantially all of his or her time to the Building;

   
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EIGHTH AMENDMENT TO OFFICE LEASE (continued)

- 12. Fines, tax penalties, and interest incurred as a result of Landlord's negligence or willful failure to make payments and/or to file any income tax or informational returns when due, unless such non payment is due to Tenant's non payment of rent;
- 13. Insurance deductible expenses for any and all claims made by Landlord;
- 14. Amounts paid as ground rental by Landlord;
- 15. Any Building system maintenance contracts, Earthquake or any other type of insurance, unless such maintenance costs and/or insurance coverage was carried during the Base Year or, in the alternative, the Base Year Operating Expenses have been "grossed-up" to include what such maintenance and/or insurance coverage would have cost had it been carried during the Base Year;
- 16. Wages and fees incurred in connection with the ownership, management and operation of the parking structure;
- 17. Any Operating Expenses in connection with the ground floor and mezzanine levels, or any other floor in the Building devoted to retail operation;
- 18. Any recalculation of or additional Operating Expenses actually incurred more than two (2) years prior to the year in which Landlord proposes that such costs be included;
- 19. Mass transit or such other public transportation pass-through assessment, if any;
- 20. Costs incurred due to Landlord's failure to comply with laws enacted on or before the Effective Date;
- 21. Costs incurred by Landlord with respect to goods and services (including utilities sold and supplied to tenants and occupants of the Building) to the extent that Landlord is entitled to reimbursement for such costs;
- 22. Costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new tenants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;
- 23. Costs of a capital nature including, without limitation, capital improvements and replacements, capital repairs, capital equipment and capital tools, under generally accepted accounting principles, except to the extent set forth in Subsection 3.1(b) (i) and (ii) above;
- 24. Expenses in connection with services or other benefits which are not provided to Tenant or for which Tenant is charged directly but which are provided to another tenant or occupant of the Building;
- 25. Costs of alterations or improvements to the Premises or the Premises of other tenants;
- 26. Overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for services in the Building to the extent the same exceeds the costs of such services rendered by unaffiliated third parties on a competitive basis;
- 27. Rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, except equipment not affixed to the Building which is used in providing janitorial or similar services;
- 28. All items and services for which Tenant or any other tenant in the Building reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;
- 29. Electric power costs for which any tenant directly contracts with the local public service company; and
- 30. Expenses and costs not normally, in accordance with generally accepted accounting principles, included by landlords of first-class institutional office buildings.

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EIGHTH AMENDMENT TO OFFICE LEASE (continued)

It is understood that Operating Expenses shall be reduced by all cash discounts, trade discounts, or quantity discounts received by Landlord or Landlord's managing agent in the purchase of any goods, utilities, or services in connection with the operation of the Building. Landlord shall make payments for goods, utilities and services in a timely manner to obtain the maximum possible discount. If capital items which are customarily purchased by landlords of first class office buildings in Los Angeles County are leased, rather than purchased, by Landlord, the decision by Landlord to lease the item in question shall not serve to increase Tenant's Share of increases in Operating Expenses beyond that which would have applied had the item in question been purchased. In the calculation of any expenses hereunder, it is understood that no expense shall be charged more than once. Landlord shall use its best efforts to effect an equitable proration of bills for services rendered to the Building and to any other property owned by Landlord. Landlord agrees to keep books and records showing the Operating Expenses in accordance with generally accepted accounting principles consistently maintained on a year-to-year basis."

6.2 Tenant's Share. As of the Effective Date, Tenant's Share of increases in Operating Expenses for the Building as set forth in Section 3.1(d) of the Lease, shall be 5.1% (based upon 16,887 usable square feet divided by 328,710 usable square feet, multiplied by 100) 2005

6.3 Base Year. As of the Effective Date, the "Base Year" shall be the first twelve (12) months of the Extended Term of the Lease. Commencing on August 1, 2004, and on each anniversary thereafter, Tenant shall be responsible to pay the Tenant's Share of increases in Operating Expenses for the Building in excess of the Base Year period. The Base Year shall be grossed up to ninety-five percent (95%) occupancy level and fully assessed for real estate tax purposes, and the Operating Expenses shall be grossed up to show actual operating expenses due to "first year" warranties on materials and equipment.

6.4 Limitation on Increase in Real Property Tax Assessment. Notwithstanding anything to the contrary in the Lease, as of the Effective Date, and during the "Extended Term" set forth in Paragraph 2 of this Eighth Amendment (as defined in Paragraph 12 below), Tenant shall not be responsible for any increases in real property taxes (a "Reassessment") caused by the sale, transfer, or other change of ownership of the Property. Notwithstanding anything to the contrary in the Lease, as of the Effective Date Tenant shall not pay directly for any real estate taxes attributable to Tenant's "Improvements" (as defined in Exhibit B attached hereto and incorporated herein) in the Premises.

6.4.1. Buy-Back Provision. The amount of real property taxes and assessments which Tenant is not obligated to pay or will not be obligated to pay in connection with a particular Reassessment pursuant to the terms of this Paragraph 6.4.1, shall be referred to hereafter as a "Proposition 13 Protection Amount". If, in connection with a pending or anticipated sale of the Building by Landlord, the occurrence of a Reassessment is reasonably foreseeable by Landlord and the Proposition 13 Protection Amount attributable to such Reassessment can be reasonably quantified or estimated for each year of the Extended Term commencing with the year in which the Reassessment will occur, Landlord shall have the right to purchase the Proposition 13 Protection Amount relating to the applicable Reassessment (the "Applicable Reassessment") from Tenant, for an amount equal to the "Proposition 13 Purchase Price", as that term is defined below.

Landlord's right to purchase the Proposition 13 Protection Amount relating to the Applicable Reassessment shall be within a reasonable period of time (but no earlier than 45 days) prior to the pending or anticipated sale of the Building by Landlord, provided that the right of any successor of Landlord to exercise its right of repurchase hereunder shall not apply to any Reassessment which results from the sale of the Building pursuant to which such successor of Landlord became the Landlord under the Lease, as hereby amended. As used herein, "Proposition 13 Purchase Price" shall mean the present value of the Proposition 13 Protection Amount remaining during the Extended Term, as of the date of payment of the Proposition 13 Purchase Price by Landlord. Such present value shall be calculated (i) by using the portion of the Proposition 13 Protection Amount attributable to each remaining year of the Extended Term of the Lease (as though the portion of such Proposition 13 Protection Amount benefited Tenant at the end of each such year), as the amounts to be discounted, and (ii) by using a five percent (5%) discount rate for each monthly amount to be discounted.

Upon such payment of the Proposition 13 Purchase Price, the provisions of Paragraph 6.4 above shall not apply to any tax increase attributable to the Applicable Reassessment. Since Landlord, if Landlord exercises its repurchase right hereunder, will be estimating the Proposition 13 Purchase Price because a Reassessment has not yet occurred, then when such Reassessment occurs, if Landlord has underestimated the Proposition 13 Purchase Price, then upon notice by Landlord to Tenant, Tenant's Rent next due shall be credited with the amount of such underestimation, and if Landlord overestimates the Proposition 13 Purchase Price, then upon notice by Landlord (to be given promptly following Landlord's receipt of notice of Reassessment) to Tenant, Rent next due shall be increased by the amount of the overestimation.

Notwithstanding the provisions of Paragraph 6.4.1 above, if in anticipation of the sale of the Building Landlord has paid Tenant the Proposition 13 Purchase Price but Tenant is notified in writing by Landlord that the sale was not or will not be completed, Tenant

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EIGHTH AMENDMENT TO OFFICE LEASE (continued)

shall return the Proposition 13 Purchase Price to Landlord within ten (10) business days after receipt of such written notice.

6.5 Proposition 8 Tax Appeal. Notwithstanding anything to the contrary in the Lease (including Section 3.1(b)), as of the Effective Date Landlord shall not reduce Tenant's Base Year threshold if the Building's taxable value is reduced through a reassessment as a result of a Proposition 8 application during such Base Year period.

- 7. Security Deposit.** Landlord acknowledges that it currently holds the sum of \$60,996.34 as a Security Deposit under the Lease, which amount Landlord shall continue to hold until August 1, 2004 at which time the Security Deposit shall be reduced to \$49,819.26 for the balance of the Extended Term with any excess funds being reimbursed to Tenant.

8. Modification to Article 8 (Utilities and Services).

8.1 Access. Landlord shall provide Tenant with access to the Premises 24 hours per day, 365 days per year. The freight elevator shall be available to Tenant without charge. Elevators shall be available 24 hours per day, 365 days per year.

8.2 HVAC. As of the Effective Date and notwithstanding anything to the contrary in the Lease Landlord at Landlord's expense, shall furnish Tenant with HVAC Monday through Friday from 7:00 am to 6:00 pm and 9:00 am to 1:00 pm on Saturday ("HVAC Building Hours"), except on Holidays as defined on Section 8.1 of the Lease. The current charge for Excess HVAC (as defined in the Lease) is \$55.00 per hour, which shall not be increased for the first twelve (12) calendar months following the Effective Date, and thereafter shall be equal to Landlord's actual cost of providing Excess HVAC, without any mark-up. Landlord and Tenant agree that the HVAC Building Hours are separate and apart from the Normal Business Hours of the Building as that term is defined in Section 8.1 of the Lease.

8.3 Electricity. As of the Effective Date and notwithstanding anything to the contrary in the Lease Landlord, at Landlord's expense, shall provide electricity to the Building and Premises, which shall be sufficient to satisfy Tenant's requirements. Such requirements shall include, but not be limited to, duplicating ("copy") machines, computers, servers, terminals, facsimile machines, telephone switch, communication and audiovisual equipment, and kitchen equipment, some uses of which may require separate electrical circuits. Tenant shall not be charged for electrical consumption, except as Landlord is entitled to pursuant to Lease above the Base Year amount.

9. Modification to Article 10 (Compliance with Laws). As of the Effective Date, Section 10.4 and Section 10.5 are added to the Lease:

"Section 10.4. Landlord's Compliance with Law. As of the date of this Eighth Amendment Landlord represents that to the best of Landlord's knowledge, without any independent inquiry, Landlord is unaware of any non-compliance with any law, regulation or code affecting the Premises or the Building. If Landlord is cited for any such non-compliance, and

- a) Landlord chooses to not dispute such citation or is unsuccessful in the prosecution of such dispute; and
- b) the existence of such condition materially affects Tenant's reasonable occupancy and beneficial use of the Premises,

then Landlord shall commence to cure said non-compliance at Landlord's expense if such non-compliance is due to a condition that existed prior to the original Lease Commencement Date, and as a part of Operating Expenses of the Building if such non-compliance is due to a condition that arises after the original Lease Commencement Date.

Section 10.5 Landlord's Operation of the Building. Landlord shall operate, lease, manage and maintain the Building, common areas, parking facilities and Real Property at all times during the Term in a manner consistent with other comparable first-class office buildings located in the West Los Angeles Marketplace (the "Comparable Buildings"). In addition, Landlord shall provide utilities and services to the Building consistent with those provided to the Comparable Buildings and sufficient to support Tenant's business operations."





10. Modification to Article 11 (Assignment and Subletting).

10.1 Section 11.4 (Request to Sublet). As of the Effective Date:

- (1) the first sentence of 11.4(d) shall be deleted and replaced with the sentence "Payment by Tenant to Landlord monthly of fifty percent (50%) of net rental proceeds received by Tenant during the Extended Term and Second Extended Term, if any, (except with respect to an assignment or subletting to a Permitted Transferee);
- (2) the phrase "the cost of the time to sublease and remodel the Premises" shall be inserted after the phrase "such as" in the third line of subsection 11.4(d); and
- (3) the sentence "Landlord acknowledges that Landlord shall not have any recapture rights during the Extended Term or Second Extended Term" shall be inserted at the end of the last paragraph in Section 11.4.

10.2 Section 11.6 (Affiliate of Tenant). As of the Effective Date, the phrase in Section 11.6 "to a third party or separate entity which is wholly owned or controlled by Tenant or a parent company, subsidiary, division, or an affiliate of Tenant without first obtaining Landlord's consent" shall be deleted and the following substituted in place thereof:

"Landlord's consent shall not be required with respect to (a) any assignment resulting from a consolidation, merger or purchase of substantially all of Tenant's assets; or (b)

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EIGHTH AMENDMENT TO OFFICE LEASE (continued)

any assignment or sublease to an entity or person which controls, is controlled by, or is under common control with, Tenant; or (c) to any entity or person which acquires, is acquired by, or merges with Tenant (collectively, a "Permitted Transferee")."

11. **Modification to Article 15, Section 15.4 (Non-Disturbance Agreement).** Notwithstanding anything to the contrary in the Lease (including Article 26), as of the Effective Date, with respect to any mortgages entered into by and between Landlord and a second party mortgagee, the Landlord shall use commercially reasonable efforts to secure and deliver to the Tenant, a Non-Disturbance agreement on mortgagee's standard form executed by Landlord's mortgagee for the benefit of Tenant. Upon Tenant's request made during the Extended Term of the Lease, said request shall be accompanied by Tenant's check covering the estimated costs required by Landlord's mortgagee, and Landlord will provide a final accounting to the Tenant once the Non-Disturbance Agreement is obtained.

12. **Option to Extend the Extended Term.**

12.1. **Notice.** Provided Tenant is not in material default after the expiration of notice and the opportunity to cure on the date or at any time during the remainder of the Extended Term after Tenant gives notice to Landlord of Tenant's intent to exercise its rights pursuant to this Paragraph 12, Tenant is given the option to extend the Extended Term for an additional five (5) year period (the "Second Extended Term"), commencing the next calendar day after the expiration of the Extended Term (the "Option"). The Option shall apply to any and all space then under lease by the Tenant in the Building.

Tenant's exercise of this Option is contingent upon Tenant giving written notice to Landlord (the "Option Notice") of Tenant's election to exercise its rights pursuant to this Option by Certified Mail, Return Receipt Requested, no more than eighteen (18) and no less than nine (9) months prior to the Termination Date.

12.2. **Rent Payable.** The annual base rent payable by Tenant during the Second Extended Term (the "Option Rent") shall be equal to ninety-five percent (95%) of the then current "Fair Market Rent," which for purposes hereof means the annual basic rent, taking into account whether the then current market is using leases based on a base year, an expense stop, or a triple net, at which tenants, as of the commencement of the Second Extended Term are leasing non-renewal, non-equity, non-sublease space comparable in size, location and quality to the Premises (and including comparable tenant improvements therein) for a comparable term, located in comparable office buildings, in the West Los Angeles Marketplace, taking into consideration all concessions and inducements generally being granted at such time, including, but not limited to free rent, tenant improvements and no consideration shall be given to the fact that Landlord is or is not required to pay a real estate broker commission in connection with Tenants exercise of its right to lease the subject space during the term thereof, or the fact that Landlords are or are not paying real estate commissions in connection with such comparable space. In addition, any other concessions being granted to other tenant's in arm's length transactions in the marketplace, at the time of the exercise of the option to renew shall be considered in the calculation of "Fair Market Rent." All other terms and conditions of the Lease (excluding the Proposition 13 Protection provisions, and parking discounts and increase caps herein), shall apply throughout the Second Extended Term and Tenant shall, be entitled to a new Base Year, which shall be the year in which the Option Term commences.

Landlord and Tenant shall have thirty (30) days (the "Negotiation Period") after Landlord receives the Option Notice in which to agree on the Fair Market Value. If Landlord and Tenant agree on the Fair Market Value during the Negotiation Period, they shall immediately execute an amendment to the Lease extending the Extended Term and stating the Fair Market Value.

12.3. **Appraisers to Set Fixed Rent.** If Landlord and Tenant are unable to agree on the Fair Market Value during the Negotiation Period, then:

a) Within ten (10) days after the expiration of the Negotiation Period, Landlord and Tenant shall each submit to the other their good faith estimates of the Fair Market Value (the "Estimated Fair Market Value"). If the higher of each such estimate is not more than 105% of the lower of each such estimate, the Fair Market Value shall be the average of the two estimated Fair Market Values.

b) If otherwise, then Landlord and Tenant, each at its own cost, shall select an independent real estate appraiser with at least ten (10) years full-time commercial appraisal experience in the area in which the Premises are located, and shall provide written notice to the other party of the identity and address of the appraiser so appointed. Landlord and Tenant shall make such selection within ten (10) days after the expiration of the Negotiation Period.

c) Within ten (10) days of having been appointed, the two (2) appraisers shall elect a third appraiser of like or better qualifications, and who has not previously acted in any capacity for either Landlord or Tenant. Landlord and Tenant shall each bear one half of the costs of the third appraiser's fee.

Within thirty (30) days after the selection of the third appraiser (the "Appraisal Period") the Fair Market Value for the Second Extended Term shall be set by a majority of the appraisers now appointed. The three arbitrators shall reach a decision as to whether Landlord's or Tenant's Estimated Fair Market Value was closer to the Fair Market Value as determined by majority of the three appraisers. The Estimated Fair Market Value so selected shall be the Fair Market Value. Upon establishment of the Fair Market Value, Landlord and Tenant shall promptly enter into an amendment reflecting the extension of the Lease term and revising the Monthly Rent payable pursuant to the Fair Market Value so established.

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EIGHTH AMENDMENT TO OFFICE LEASE (continued)

12.4. No Right of Reinstatement or Further Extension. Once Tenant has failed to exercise its rights to extend the term pursuant to this Paragraph 12, it shall have no right of reinstatement of its Option to Extend the Extended Term, nor shall Tenant have any right to a further extension of the Second Extended Term beyond the period stated in Paragraph 12.1 hereinabove.

12.5. No Assignment of Option. This Option is personal to the original Tenant signing this Eighth Amendment or to an "Affiliate" of Tenant (as defined in Lease Section 11.6), and shall be null, void and of no further force or effect as of the date that Tenant assigns the Eighth Amendment to an unaffiliated entity and/or subleases more than forty-nine percent (49%) of the total Rentable Area of the Premises.

13. Option to Expand. Landlord hereby grants to the originally named Tenant herein the right to lease the remaining 3,485 rentable square feet of space on the fifteenth (15th) floor of the Building ("Suite 1520") on the terms and conditions set forth in this Paragraph 13 ("Expansion Option").

13.1. Method of Exercise. The Expansion Option shall be exercised only by the originally named Tenant herein or by an "Affiliate" of Tenant (as defined in Lease Section 11.6) subject to Tenant's delivery to Landlord of written notice exercising the Option no less than six (6) months prior to the termination of Landlord's current lease with National Geographic (i.e. on or before February 1, 2005). Upon Tenant's exercise of the Expansion Option, Landlord, after receipt of Tenant's notice, shall deliver notice (the "Expansion Rent Notice"), setting forth the "Expansion Rent," which shall be at the same rate at which Monthly Fixed Rent is payable by Tenant for the Premises under this Eighth Amendment (i.e. Suite Numbers 1500, 1550 and 1580) and shall include all applicable escalations to the Monthly Fixed Rent as of August 2005 made and to be made during the Extended Term. Further, the Expansion Rent Notice shall refer to a pro-rated rental abatement based on the number of months remaining before the expiration of the Extended Term, a 2005 Base Year, and a tenant improvement allowance for Suite 1520 based upon the "\$31.00" per rentable square foot multiplied by the number of the remaining months in the Extended Term, divided by the total number of months in the Extended Term. (For example, if upon the effective date of Tenant's lease of Suite 1520, 48 months remain before the expiration of the Extended Term, then the tenant improvement allowance for Suite 1520 would be equal to \$24.80 per rsf based upon \$31 times 48 months divided by 60 months.)

13.2. Amendment to Lease. If Tenant timely exercises Tenant's right to lease Suite 1520 as set forth herein, Landlord and Tenant shall within thirty (30) days thereafter execute an amendment adding Suite 1520 to the Lease upon the same terms and conditions as the initial Premises, except as otherwise set forth in this Paragraph 13.

14. Ongoing Right of First Offer.

- a) Subject to any pre-existing rights of first offer and/or refusal which Landlord or Landlord's predecessors may have granted to Time Inc. on the 16th floor; and
- b) Upon Landlord's receipt of written notification ("Tenant's Expansion Notice") from Tenant that Tenant desires (1) Suite 1520 (if Tenant did not exercise the Option to Expand pursuant to Paragraph 13 above), and/or (2) all spaces between 2,500 to 7,500 rentable square feet on the sixteenth (16th) floor ("16th Floor Space(s)"); and
- c) Provided Tenant is not in material uncured default after the expiration of time and the opportunity to cure as of the date or any time after Tenant tenders to Landlord Tenant's Expansion Notice; and
- d) At least eighteen (18) months remain before the expiration of the Extended Term of this Lease, or Tenant is willing to enter into an extension of the Extended Term for a minimum of eighteen (18) additional months;

then, Landlord grants Tenant (1) an on-going right of first offer to lease Suite 1520 (if Tenant did not exercise the Option to Expand pursuant to Paragraph 13 above), and (2) an on-going right of first offer to lease the 16th Floor Space in the Building individually and collectively (the "Expansion Premises") that is vacated and thereafter becomes available for rent following Tenant's Expansion Notice during the Extended Term of this Lease, including any extension thereof, as follows:

If any space within the Expansion Premises becomes available for lease at any time during the Extended Term, or Second Extended Term, if any, of this Lease, Landlord shall give written notice thereof (the "Offer Notice") to Tenant, specifying the same rental rates, rate schedule and terms then in effect for the Premises under this Eighth Amendment (i.e. Suite Numbers 1500, 1550 and 1580), but with a pro-rated rental abatement based on the number of months remaining before the expiration of the Extended Term, a 2005 Base Year, and a tenant improvement allowance for the Expansion Premises based upon the "\$31.00" per rentable square foot multiplied by the number of the remaining months in the Extended Term, divided by the total number of months in the Extended Term. (For example, if upon the effective date of Tenant's lease of the Expansion Premises, 18 months remain before the expiration of the Extended Term, then the tenant improvement allowance for the Expansion Premises would be equal to \$9.30 per rsf based upon \$31 times 18 months divided by 60 months.)

14.1. Tenant's Acceptance. Tenant shall have five (5) days after receipt of the Offer Notice from Landlord to advise Landlord of Tenant's election (the "Acceptance") to lease the Expansion Premises on the same terms and conditions as Landlord has specified in its Offer Notice. If the Acceptance is so given, then within ten (10) days thereafter, Landlord and Tenant shall sign an amendment to this Lease, adding the Expansion Premises to the Premises and incorporating all of the terms and conditions originally contained in Landlord's Offer Notice.

14.2. Failure to Accept Extinguishes Rights. If Tenant does not tender the Acceptance of Landlord's Offer Notice, or if Landlord and Tenant fail to execute the amendment to Lease called for above within the time period specified, then Landlord may lease such portion of the

Expansion Premises as is then available to any third party it chooses without liability to Tenant on terms and conditions reasonably similar to those specified in Landlord's Offer Notice, and Tenant's option to expand into that portion of the Expansion Premises not accepted by Tenant shall be null and void thereafter.

14.3. **Reinstatement of Right of First Offer.** If Landlord then enters into a lease for the all or a portion of the Expansion Premises with a third party tenant, which lease terminates during the Term or Extended Term, if any, of this Lease, after expiration or earlier termination of said third party lease, this right of first offer, as set forth herein, shall re-apply.

14.4. **No Assignment of Right.** This right is personal to the original Tenant signing the Lease or to an "Affiliate" of Tenant (as defined in Lease Section 11.6), and shall be null, void and of no further force or effect as of the date that Tenant assigns the Lease to an unaffiliated entity and/or subleases more than forty-nine percent (49%) of the total Rentable Area of the Premises.

15. **Modification to Miscellaneous Provisions.** As of the Effective Date, Section 22.23.1 (Landlord Warranty); Section 22.27 (Signage), Section 22.28 and Section 22.29 are added to the Lease:

"Section 22.23.1 **Hazardous Waste (Landlord Warranty).** Landlord represents that, to the best of Landlord's knowledge, there are no hazardous wastes or toxic materials ("Wastes") in the Building. If Landlord receives a citation or notification that Wastes exist in or on the Building; such Wastes were neither created or brought in by Tenant; and Landlord does not choose to dispute such citation or notification, or Landlord is unsuccessful in the prosecution of such dispute; then Landlord agrees that it will hire a contractor certified to handle hazardous wastes and toxic materials, and will comply with the recommendation(s) of said contractor, whether for removal or encapsulation of the Wastes, or to leave said Wastes undisturbed. Said work, if any, shall be completed at Landlord's sole expense, unless the Wastes were brought in or created by Tenant, in which case said work shall be completed at Tenant's expense.

Section 22.27. **Signage.** Tenant may not install, inscribe, paint or affix any awning, shade, sign, advertisement or notice on or to any part of the outside or inside of the Building, or in any portion of the Premises visible to the outside of the Building or common areas without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

All signage and/or directory listings installed on behalf of Tenant, whether installed in, on or upon the public corridors, doorways, Building directory and/or parking directory (if any), or in any other location whatsoever visible outside of the Premises, shall be installed by Landlord, at Tenant's sole expense.

Tenant's identification on or in any common area of the Building shall be limited to Tenant's name and suite designation, and in no event shall Tenant be entitled to the installation of Tenant's logo in any portion of the Building or common areas. Furthermore, the size, style, and placement of letters to be used in any of Tenant's signage shall be determined by Landlord, in Landlord's sole discretion, in full conformance with previously-established signage program for the Building.

Except as specified hereinbelow, Tenant shall only be entitled to one (1) listing on the Building directory, or any parking directory ancillary thereto, which shall only show Tenant's business name and suite designation. Tenant shall also be entitled to a maximum of fifty-nine (59) additional listings on said Building and/or parking directory, which listings shall be limited solely to Tenant's officers, employees, subsidiaries, affiliates and/or sublessees, if any. All of said listings shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. To the extent that Tenant becomes a full-floor tenant in the Building, Landlord will grant to Tenant additional signage rights no less favorable to Tenant than those granted by Landlord to other full-floor tenants of the Building.

Section 22.28 **Actual Costs.** Landlord and Tenant agree that wherever in the Lease Tenant is required to pay "actual cost" or "actual costs", such amount shall be the actual cost(s) paid or incurred by Landlord without mark-up by or profit to the Landlord.

Section 22.29 **Reasonableness and Good Faith.** Whenever this Lease grants Landlord or Tenant the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations, Landlord and Tenant shall act reasonably and in good faith and take no action which might result in the frustration of the reasonable expectations of a sophisticated landlord and sophisticated tenant concerning the benefits to be enjoyed under this Lease."

16. **Modification to Parking Permits.** Notwithstanding anything to the contrary in the Lease (including Article 26), as of the Effective Date: (i), Tenant shall have the right but not the obligation to lease up to seventy (70) unreserved parking spaces (based upon the ratio of three and one-half (3.5) parking stalls per one thousand (1000) rentable square feet of the Premises leased) in the Building's parking facility; and (ii) Tenant may lease up to seven (7) reserved, single stall parking stalls as required from time-to-time at Tenant's discretion. The initial rates to be paid by Tenant for such permits shall be: \$115.50 per single unreserved permit; and \$198.00 per single reserved permit, and \$154.00 per tandem per permit, including the ten percent (10%) tax currently charged by the City of Los Angeles (the "Initial Rates"). During the Extended Term, Tenant shall receive a ten percent (10%) discount on the Initial Rates (on all of Tenant's parking), which shall not increase by more than a three percent (3%) annual increase on a non-cumulative and non-compounding basis using Tenant's Initial Rates as a base. During the Second Extended Term, the rates for Tenant's parking shall be at the prevailing monthly parking lease rates in effect, which may change from time to time in Landlord's sole discretion.

EIGHTH AMENDMENT TO OFFICE LEASE (continued)

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17. Deleted/Expired Provisions. As of the Effective Date, the following provisions have expired on their terms and/or are deleted in their entirety:

Section 22.6.2 (Additional Security Deposit); Article 28 (Option to Extend Term); Article 29 (Right of First Offer); and Exhibit B (Improvement Construction Agreement).

18. **Tenant Improvements.** Landlord and Tenant contemplate that Tenant, through its general contractor shall perform certain improvements in the Premises, at Tenant's expense, subject to offset by a portion of or all of an "Allowance" given to Tenant by Landlord (described in Exhibit B attached hereto and incorporated herein).
19. **Acceptance of Premises.** Tenant acknowledges that to the best to Tenant's knowledge as of the date hereof, Tenant has, no claim against Landlord in connection with the Existing Premises or the Lease. Tenant has made its own inspection of and inquiries regarding the Premises, and Tenant accepts the Existing Premises in its "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Existing Premises, or the Building for the purposes intended by Tenant.
20. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Eighth Amendment other than Douglas, Emmett and Company and CRESA Partners Los Angeles, and Landlord shall be solely responsible for any commissions due to such brokers. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation.
21. **Successors and Heirs.** The provisions of this Eighth Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
22. **Confidentiality.** Landlord and Tenant shall each use commercially reasonable efforts to ensure that the covenants and provisions of this Eighth Amendment are not discussed with anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.
23. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Eighth Amendment, until both Landlord and Tenant have executed and delivered this Eighth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Eighth Amendment.
24. **Disclosure.** Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors, Douglas, Emmett & Company, and P.L.E. Builders.
25. **Governing Law.** The provisions of this Eighth Amendment shall be governed by the laws of the State of California.

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EIGHTH AMENDMENT TO OFFICE LEASE (continued)

26. Reaffirmation. Landlord and Tenant acknowledge and agree that the Lease, as amended by the documents contained in Recital A hereinabove, and as further amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT REALTY FUND 1995,
a California limited partnership

By: DOUGLAS, EMMETT AND COMPANY,
a California corporation
its agent

By: Michael J. Means
Michael J. Means, Vice President

Dated: 1/9/04

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
LLC,
a California limited liability company

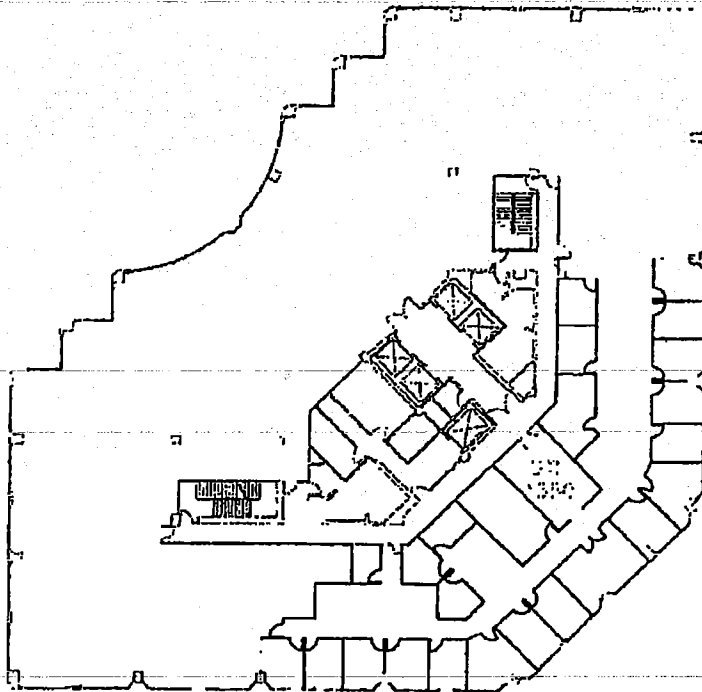
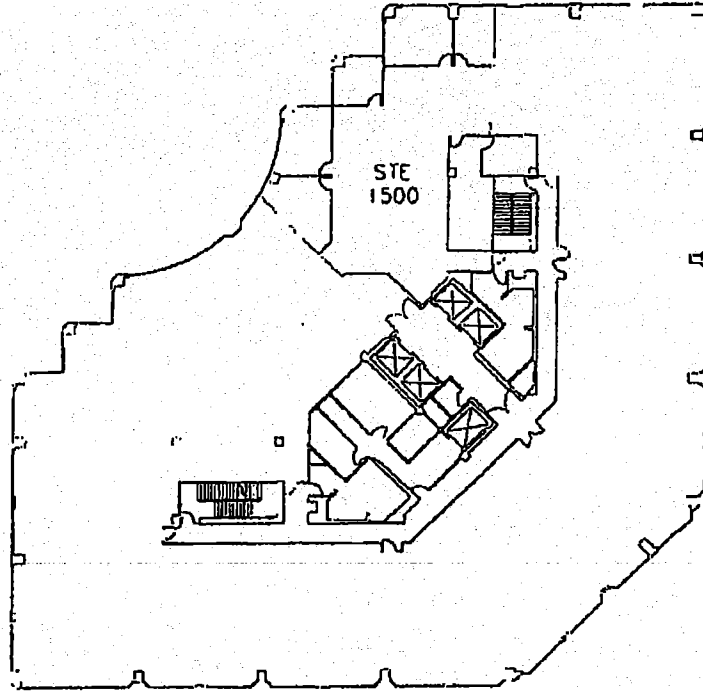
By: Scott Dubchansky

Signer's Name: Scott Dubchansky
Its: Managing Director



Dated: December 24, 2003

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EXHIBIT A-1 - PREMISES SPACE PLAN
Suites 1500, 1550 and 1580 at 11766 Wilshire Boulevard, Los Angeles, California 90025
Rentable Area: approximately 20,018 square feet
Usable Area: approximately 16,891 square feet
(Measured pursuant to the provisions of Paragraph 4 of the
Eighth Amendment to Office Lease)

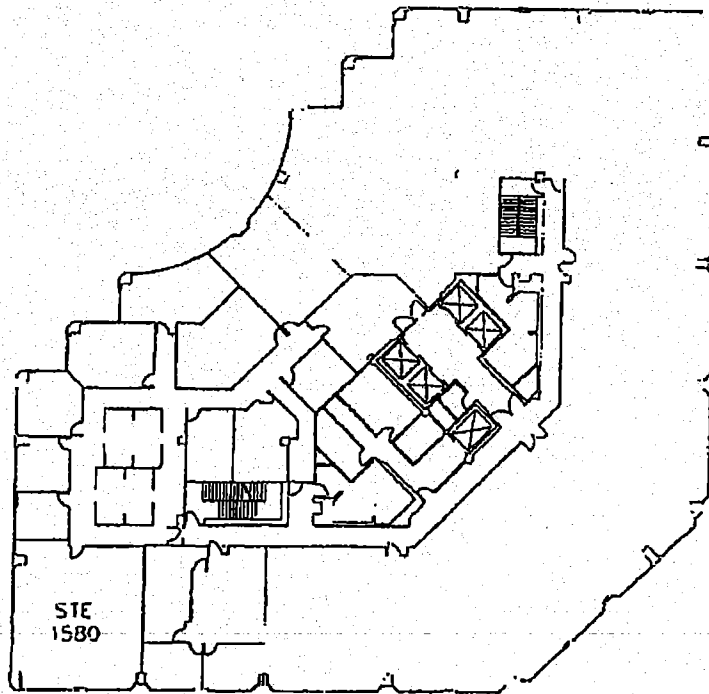



LANDMARK INMET WEST LQ December 23, 2003


   
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EXHIBIT A-1 (continued)




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**EXHIBIT B
CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT**

Section 1. Tenant to Complete Construction. Concurrent with Tenant's occupancy of the Premises (which shall not entitle Tenant to any rent credit or offset) Tenant's general contractor ("Contractor") shall furnish and install within the Premises those items of general construction (the "Improvements"), shown on the final Plans and Specifications approved by Landlord, and in compliance with all applicable codes and regulations. Landlord and Tenant agree that Tenant shall have from March 1, 2004 until August 1, 2005 to complete the Improvements and that a mutually agreeable project schedule will be developed for other milestones for the Improvement work. The Contractor shall be either: (i) Howard Building Corp. which has been approved by Landlord as of the date hereof; or (ii) Turelk Contractors, which has been approved by Landlord as of the date hereof; or (iii) a licensed general contractor to be selected by Tenant and to be approved by Landlord.

All Tenant selections of finishes shall be indicated in the Plans and Specifications and shall be equal to or better than the minimum Building standards and specifications.

Any work not shown in the final construction Plans and Specifications or included in the Improvements such as, but not limited to, telephone service, furnishings, or cabinetry, for which Tenant contracts separately shall be subject to Landlord's policies and shall be conducted in such a way as to not unreasonably hinder or delay the work of Improvements.

Section 2. Tenant's Payment of Costs. Subject to Landlord's reimbursement as specified herein below, Tenant shall bear all costs of the Improvements, and shall timely pay said costs directly to the Contractor. From time to time, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full for the work completed to-date.

Tenant shall also pay the cost of any renovations or revisions which Landlord is required to make to any common area or portion of the Building, which such renovations, repairs or revisions arise out of or are required in connection with Tenant's completion of the Improvements contemplated herein.

Section 3. Lien Releases. Contractor shall provide Landlord with lien releases as requested by Landlord and confirmation that no liens have been filed against the Premises or the Building. If any liens arise against the Premises or the Building as a result of Tenant's Improvements, Tenant shall immediately, at Tenant's sole expense, remove such liens and provide Landlord evidence that the title to the Building and Premises have been cleared of such liens.

Section 4. Performance Bonds. Unless waived by Landlord as specified herein, Contractor shall provide payment and performance bonds in an amount equal to 100% of Contractor's contract with Tenant. Landlord agrees to waive performance bonds on the condition that Tenant contracts with a qualified contractor that has been mutually agreed upon.

Section 5. Landlord's Reimbursement for Costs. Landlord shall pay to Tenant for the Improvements in Paragraph 1 above, an allowance, not to exceed \$620,341.00, based upon the sum of \$31.00 per square foot of Rentable Area within Premises (the "Allowance"); provided Landlord agrees that (1) the Allowance may be utilized towards Tenant's costs for design, construction, equipment, fixtures, telephone equipment, cabling, moving costs and real estate consultation fees related to the Improvements, (2) up to \$20,011.00 out of the total Allowance may be utilized by Tenant towards the costs of Tenant's consultants hired prior to the date hereof respecting space planning and related services, and (3) Landlord's obligation to disburse any of the Allowance shall expire on November 30, 2005.

During the period from the date hereof through the completion of construction of the Improvements, Landlord shall make monthly disbursements of the Allowance toward the cost of the Improvements and shall authorize the release of monies for the benefit of Tenant as set forth in Section 5.1 below.

Section 5.1. Monthly Disbursements. On or before the fifth (5th) day (the "Submittal Date") of each calendar month during the period from the date hereof through the construction of the Improvements, Tenant shall deliver to Landlord: (i) a request for payment of the Contractor approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Improvements in the Premises, and detailing the portion of the work completed; and (ii) paid invoices (or a single paid invoice from Contractor) for labor and services rendered and materials delivered to the Premises for the applicable payment period.

On or before the date occurring thirty (30) days after the Submittal Date, Landlord shall deliver a check to Tenant made payable to Tenant, or any other provider of goods and services designated by Tenant to Landlord, equal to the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 5.1, less a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "Final Retention"); and (B) the balance of any remaining available portion of the Allowance (not including the Final Retention), provided that Landlord does not dispute any request for payment based on material non-compliance of any work with the Final Plans and Specifications, or due to any materially substandard work as identified in good faith by Landlord. In the event that Landlord identifies any material non-compliance with the Final Plans and Specifications or substandard work, Tenant shall be provided a detailed statement identifying such material non-compliance or substandard work, and if the work is substandard Tenant shall cause such work to be corrected so that it is not substandard. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.


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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT

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Section 5.1.1. Final Retention. Subject to the provisions of this Construction Agreement, a check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that Tenant delivers to Landlord (i) properly executed mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) for all of the Improvements, and (ii) the provision of a set of as-built drawings showing all Improvements installed by Contractor.

- Section 6. Pre-Construction Requirements.** Prior to Tenant or Contractor commencing any work:
- a) Contractor, and its subcontractors and suppliers, shall be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. As a condition of such approval, so long as the bids and costs for such work are competitive with the other bids that Tenant receives, Contractor shall use Landlord's heating, venting, air-conditioning, plumbing, and electrical subcontractors for such work;
 - b) Tenant or Tenant's Contractor shall submit all Plans and Specifications to Landlord, and no work on the Premises shall be commenced before Tenant has received Landlord's final written approval thereof, which shall not be unreasonably withheld, delayed or conditioned;
 - c) Contractor shall concurrently submit to Landlord and Tenant a written bid for completion of the Improvements. Said bid shall include Contractor's overhead, profit, and fees, it being understood that there shall be no administration fee to Landlord's managing agent for supervision of the construction;
 - d) Contractor shall complete all architectural and planning review and obtain all permits, including signage, required by the city, state or county in which the Premises are located; and
 - e) Contractor shall submit to Landlord verification of public liability and workmen's compensation insurance adequate to fully protect Landlord and Tenant from and against any and all liability for death or injury to persons or damage to property caused in, on or about the Premises or the Building from any cause whatsoever arising out completion of the Improvements or any other work done by Contractor.
 - f) Landlord and Tenant agree that if the Improvements are actually constructed by Tenant's Contractor at a cost which is less than the Allowance (after taking into account all expenditures for which the Allowance may otherwise be used as set forth in Section 5 hereof), there shall be no monetary adjustment between Landlord and Tenant and the entire cost savings shall accrue to the benefit of Landlord.

Section 7. Landlord's Administration of Construction. Tenant's Contractor and its subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision. Landlord shall provide the Contractor and its subcontractors reasonable access to the Premises so as to timely complete the Improvements; reasonable use of the freight elevators for the movement of Contractor's and its subcontractor's materials and laborers; and use of parking spaces in the parking facilities serving the Building at no cost so long as the same are available therefor without disturbing the quiet enjoyment or reasonable access of any other occupant of the Building.

Section 8. Fixed Date for Commencement. Tenant acknowledges and agrees that whether or not Tenant has completed construction of the Improvements, the Effective Date, shall be as specified in Paragraph 3 of this Eighth Amendment.

Section 9. Compliance with Construction Policies. During construction of the Improvements, Tenant's Contractor shall adhere to the Construction Policies specified hereinbelow, which represent Landlord's minimum requirements for completion of the Improvements.

CONSTRUCTION POLICY

The following policies outlined are the construction procedures for the Building. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained hereinbelow:

Section 10. Administration.

- a) Contractors to notify Building Office, prior to starting any work. No exceptions. All jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.
- b) The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.
- c) Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.
- d) As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.
- e) The HVAC contractor is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:
 - i) A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet should also include the location of any fire dampers.
 - ii) An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Engineer at the finish of the HVAC installation.

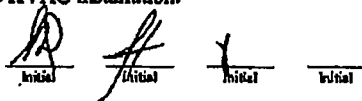

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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT

ORIGINAL

- f) All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.
- g) The general contractor must provide for the removal of all trash and debris arising during the course of construction. At no time are the building's trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.
- h) Contractors will include in their proposals all costs to include: parking, elevator service, additional security (if required), restoration of carpets, etc. Parking for contractors performing the improvements hereunder will be validated free of charge.
- i) Any problems with construction per the plan, will be brought to the attention of and documented to the Building Manager. Any changes that need additional work not described in the bid will be approved in writing by the Building Manager. All contractors doing work on this project should first verify the scope of work (as stated on the plans) before submitting bids; not after the job has started.

Section 11. Building Facilities Coordination.

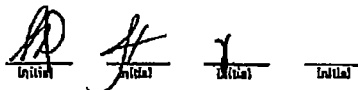
- a) All deliveries of material will be made through the parking lot entrance.
- b) Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.
- c) Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.

Section 12. Housekeeping.

- a) Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.
- b) All construction done on the property that requires the use of lobbies or common area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:
 - i) Mylar -- Extra heavy-duty to be taped from the freight elevator to the suite under construction.
 - ii) Masonite -- 1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.
- c) Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.
- d) Food and related lunch debris are not to be left in the suite under construction.
- e) All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All common areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.

Section 13. Construction Requirements.

- a) All Life and Safety and applicable Building Codes will be strictly enforced (i.e. tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.
- b) Electric panel schedules must be brought up to date identifying all new circuits added.
- c) All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.
- d) All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.
- e) All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.
- f) Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.
- g) All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.
- h) All core drilling is not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.


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CONFIDENTIAL

EXHIBIT B (continued)
CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT

- i) All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:
 - i) A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.
 - ii) A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.
 - iii) The Building Engineer will inspect the construction on a periodic basis as well.
- j) All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor during the course of construction shall be deducted from Tenant's Allowance or Tenant's Security Deposit, as appropriate.

LANDLORD:
DOUGLAS EMMETT REAL TY FUND 1995
By: DOUGLAS, EMMETT AND COMPANY,
a California corporation,
its agent

By: Michael J. Means
Michael J. Means, Vice President
Dated: 1/2/04

TENANT:
METROPOLITAN WEST ASSET
MANAGEMENT, LLC,
a California limited liability company

By: Scott Dubchansky
Name: Scott Dubchansky
Title: Managing Director

Dated: December 24, 2003

Michael J. Means
Initial

Scott Dubchansky
Initial

Initial

Initial

NINTH AMENDMENT TO OFFICE LEASE

This Ninth Amendment to Office Lease (the "Ninth Amendment"), dated March 3, 2005, is made by and between DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company successor in interest to Douglas Emmett Realty Fund 1995, a California limited partnership ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,





- A. Landlord's predecessor, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Original Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises");
- B. Landlord's predecessor and Tenant subsequently entered into that certain First Amendment to Office Lease, dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Second Amendment"), pursuant to which Tenant leased Suite 1560 of the Building, that certain Third Amendment to Office Lease, dated February 25, 2000 (the "Third Amendment"), pursuant to which Tenant leased additional space on the fifteenth (15th) floor of the Building adjacent to (and which become a part of) the Original Premises, that certain Fourth Amendment to Office Lease, dated March 16, 2001 (the "Fourth Amendment"), pursuant to which Tenant leased Suite 1660 of the Building, that certain Fifth Amendment to Office Lease, dated June 12, 2001 (the "Fifth Amendment"), that certain Sixth Amendment to Office Lease, dated February 22, 2002 (the "Sixth Amendment"), pursuant to which Tenant leased Suite 1650 of the Building, that certain Seventh Amendment to Office Lease, dated October 7, 2003 (the "Seventh Amendment"), pursuant to which Tenant leased Suite 1550 of the Building, and that certain Eighth Amendment to Office Lease, dated December 23, 2003 (the "Eighth Amendment"), pursuant to which Tenant extended the Lease Term for Suite Numbers 1500, 1550 and 1580 only to July 31, 2009 (the "Existing Premises Term"), and returned possession of Suites 1650 and 1660 to Landlord retroactively effective as of December 1, 2003;
- C. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment and the Eighth Amendment shall be sometimes hereinafter collectively referred to as the "Lease";
- D. The Original Premises and Suite 1560 are collectively and commonly known as, and shall be hereinafter referred to as, "Suite 1500";
- E. Suite 1500, Suite 1550 and Suite 1580 shall hereinafter be collectively referred to as the "Existing Premises";
- F. Tenant wishes to expand its occupancy within the Building to include additional office space adjacent to the Existing Premises, commonly known as Suite 1520 (the "Expansion Space") and thus occupy the entire fifteenth (15th) floor in the Building, as shown on Exhibit A-1, which expansion Landlord has conditionally permitted, contingent upon Tenant's acceptance of and compliance with the provisions of this Ninth Amendment and Landlord obtaining possession of the Expansion Space from the current occupant thereof; and
- G. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Ninth Amendment.
2. **Expansion Date.** Subject to Landlord obtaining possession of the Expansion Space from the current occupant thereof, the expansion contemplated under this Ninth Amendment shall be effective on August 1, 2005 (the "Expansion Date"), through and including midnight on July 31, 2009 (the "Expansion Term").
3. **Expansion of Premises.** As of the Expansion Date, the definition of the Existing Premises shall be revised to include both the Existing Premises and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Space together, as if the same had been originally included in said Lease.

As of the Expansion Date, the Usable Area of the Premises shall increase from 16,887 square feet to 21,333 square feet and the Rentable Area of the Premises shall increase from 20,011 square feet to 23,496 square feet.

Landlord and Tenant agree that the Usable Area of the Expansion Space has been measured according to the June, 1996 standards published by the Building Owners' and Managers' Association ("BOMA"), and that as of the Expansion Date, Landlord is utilizing a deemed loss factor of 10.14 % (which is the single tenant load factor being utilized for the entire fifteenth (15th) floor since Tenant will as the Expansion Date occupy the entire fifteenth (15th) floor)] to compute the Rentable Area of the Expansion Space. Rentable Area herein is calculated as 1.1014 times the

   
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NINTH AMENDMENT TO OFFICE LEASE (continued)

estimated Usable Area, regardless of what the actual square footage of the common areas of the Building may be, and whether or not they are more or less than 10.14 % of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.

- 4. Revision in Monthly Fixed Rent-Expansion Space. Commencing on the Expansion Date, and continuing through the last calendar day of the twelfth (12th) calendar month of the Expansion Term, the Fixed Monthly Rent payable by Tenant for the Expansion Space shall be \$8,189.75 per month.

Commencing the first calendar day of the thirteenth (13th) calendar month of the Expansion Term, and continuing through the last calendar day of the twenty-fourth (24th) calendar month of the Expansion Term, the Fixed Monthly Rent payable by Tenant for the Expansion Space shall increase from \$8,189.75 per month to \$8,353.54 per month.

Commencing the first calendar day of the twenty-fifth (25th) calendar month of the Expansion Term, and continuing through the last calendar day of the thirty-sixth (36th) calendar month of the Expansion Term, the Fixed Monthly Rent payable by Tenant shall increase from \$8,353.54 per month to \$8,520.62 per month.

Commencing the first calendar day of the thirty-seventh (37th) calendar month of the Expansion Term, and continuing throughout the remainder of the Expansion Term, the Fixed Monthly Rent payable by Tenant shall increase from \$8,520.62 per month to \$8,691.03 per month.

Concurrent with Tenant's execution and delivery to Landlord of this Ninth Amendment, Tenant shall pay to Landlord the Fixed Monthly Rent due for the first month of the Expansion Term.

- 5. Tenant's Share-Expansion Space. As of the Expansion Date, Tenant's Share of increases in Operating Expenses for the Building as set forth in Section 3.1(d) of the Lease, shall be 0.96% for the Expansion Space (based upon 3,164 usable square feet divided by 328,710 usable square feet, multiplied by 100).
- 6. Base Year-Expansion Space. As of the Expansion Date, the Base Year for Tenant's payment of increases in Operating Expenses, solely as it relates to the Expansion Space, shall be calendar year 2005.
- 7. Security Deposit. Landlord acknowledges that it currently holds the sum of \$49,819.26 as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Existing Premises Term and Expansion Term, unless otherwise applied pursuant to the provisions of the Lease. Concurrent with Tenant's execution and tendering to Landlord of this Ninth Amendment, Tenant shall tender the sum of \$8,691.03, which amount Landlord shall add to the Security Deposit already held by Landlord, so that thereafter, throughout the Existing Premises Term and Expansion Term, provided the same is not otherwise applied, Landlord shall hold a total of \$58,510.28 as a Security Deposit on behalf of Tenant.

8. Tenant Improvements.

8.1 Expansion Space Allowance and Remaining Allowance. Landlord acknowledges that concurrent with Tenant's occupancy of the Expansion Space, during the Expansion Term (which shall not entitle Tenant to any set-off or rent credit), Tenant desires to have Tenant's contractor per certain work in the Expansion Space per Exhibit B attached hereto and incorporated herein (collectively the "Expansion Space Work") at Tenant's sole expense but subject to reimbursement from the Landlord from the "Expansion Space Allowance" as defined below, and from any un-used portion remaining of the Allowance initially designated for the Existing Premises (the "Remaining Allowance").

As used herein, and per Paragraph 13 of the Eighth Amendment, the "Expansion Space Allowance" shall be an amount based upon the "\$31.00" per rentable square foot multiplied by the number of the remaining months in the Existing Premises Term, divided by the total number of months in the Extended Term. (For example, if upon the effective date of Tenant's lease of Suite 1520, 48 months remain before the expiration of the Extended Term, then the tenant improvement allowance for Suite 1520 would be equal to \$24.80 per rsf based upon \$31 times 48 months divided by 60 months.) If the Expansion Date per this Ninth Amendment is in fact August 1, 2005, then the Expansion Space Allowance shall be equal to \$86,428.00 (based upon \$24.80 times 3,485 rentable square feet). If the Expansion Date per this Ninth Amendment is a date other than August 1, 2005, then Landlord and Tenant shall confirm the amount of the Expansion Space Allowance per the formula in the Eighth Amendment as restated in this paragraph.

8.2 Restated Allowance As of the date of this Ninth Amendment, the Remaining Allowance for the Existing Premises is equal to \$389,021.30 (subject to payment draws in process), which amount together with the Expansion Space Allowance shall be collectively referred to as the "Restated Allowance". The Restated Allowance: (i) may apply to either or both the Improvements for the Existing Premises and the Expansion Space Work; and (ii) shall be disbursed per the procedures set forth in Section 5 of Exhibit B attached to the Eighth Amendment, except that Tenant shall not be eligible for a reimbursement from the Expansion Space Allowance portion of the Restated Allowance prior to the Expansion Date.

Notwithstanding anything to the contrary in the Lease (including the Eighth Amendment): (i) Tenant shall have until February 1, 2006 to complete the Improvements to the Existing Premises and the Expansion Space Work; and (ii) Landlord's obligation to disburse any of the Restated Allowance shall expire on May 31, 2006, it being understood that thereafter, Landlord shall have no obligation to disburse any portion of the Restated Allowance, then remaining to Tenant.

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NINTH AMENDMENT TO OFFICE LEASE (continued)

- 9. **Acceptance of Premises.** Tenant acknowledges that to the best to Tenant's knowledge as of the date hereof, Tenant has, no claim against Landlord in connection with the Existing Premises, Expansion Space or the Lease. Tenant has made its own inspection of and inquiries regarding the Expansion Space, and Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Expansion Space, or the Building for the purposes intended by Tenant.
- 10. **Contingency to the Effectiveness.** The effectiveness of this Ninth Amendment is contingent upon Landlord obtaining possession of the Expansion Space from the current occupant thereof.
- 11. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Ninth Amendment other than Douglas, Emmett and Company and CRESA Partners Los Angeles, and Landlord shall be solely responsible for any commissions due to such brokers. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation.
- 12. **Successors and Heirs.** The provisions of this Ninth Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
- 13. **Confidentiality.** Landlord and Tenant shall each use commercially reasonable efforts to ensure that the covenants and provisions of this Ninth Amendment are not discussed with anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.
- 14. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Ninth Amendment, until both Landlord and Tenant have executed and delivered this Ninth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Ninth Amendment.
- 15. **Disclosure.** Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors, Douglas, Emmett & Company, and P.L.E. Builders.
- 16. **Governing Law.** The provisions of this Ninth Amendment shall be governed by the laws of the State of California.
- 17. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended by the documents contained in Recital A hereinabove, and as further amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the later of the day and year written below.

LANDLORD:

DOUGLAS EMMETT 1995, LLC,
a Delaware limited liability company

By: DOUGLAS, EMMETT AND COMPANY,
a California corporation
its agent

By: *Michael J. Means*
Michael J. Means, Senior Vice President

Dated: 3/16/05

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT,
LLC, a California limited liability company

By: *Scott Dubchansky*
Signer's Name: Scott Dubchansky

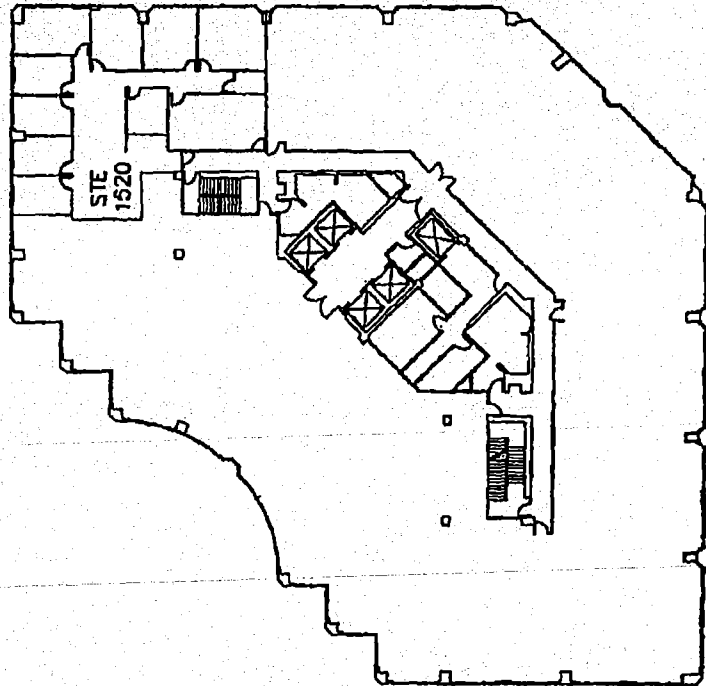
Its: Managing Director

Dated: March 8, 2005

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CENTRAL

EXHIBIT A-1 - EXPANSION SPACE PLAN
Suite 1520 at 11766 Wilshire Boulevard, Los Angeles, California 90025
Rentable Area: approximately 3,485 square feet
Usable Area: approximately 3,164 square feet
(Measured pursuant to the provisions of Paragraph 3 of the
Ninth Amendment to Office Lease)



LANDMARK II METROPOLITAN WESTLOW March 3, 2003

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**EXHIBIT B
CONSTRUCTION AGREEMENT-EXPANSION SPACE
CONSTRUCTION PERFORMED BY TENANT**

Section 1. Tenant to Complete Construction. Concurrent with Tenant's occupancy of the Existing Premises and the Expansion Space (which shall not entitle Tenant to any rent credit or offset) Tenant's general contractor ("Contractor") shall furnish and install within the Expansion Space those items of general construction (the "Expansion Space Work"), shown on the final Plans and Specifications approved by Landlord, and in compliance with all applicable codes and regulations. Landlord and Tenant agree that Tenant shall have until February 1, 2006 to complete the Expansion Space Work and that a mutually agreeable project schedule will be developed for other milestones for the Expansion Space Work. The Contractor shall be either: (i) Howard Building Corp. which has been approved by Landlord as of the date hereof; or (ii) Turek Contractors, which has been approved by Landlord as of the date hereof; or (iii) a licensed general contractor to be selected by Tenant and to be approved by Landlord.

All Tenant selections of finishes shall be indicated in the Plans and Specifications and shall be equal to or better than the minimum Building standards and specifications.

Any work not shown in the final construction Plans and Specifications or included in the Expansion Space Work such as, but not limited to, telephone service, furnishings, or cabinetry, for which Tenant contracts separately shall be subject to Landlord's policies and shall be conducted in such a way as to not unreasonably hinder or delay the work of Expansion Space Work.

Section 2. Tenant's Payment of Costs. Subject to Landlord's reimbursement as specified in Paragraph 8 of this Ninth Amendment, Tenant shall bear all costs of the Expansion Space Work, and shall timely pay said costs directly to the Contractor. From time to time, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full for the work completed to-date.

Tenant shall also pay the cost of any renovations or revisions which Landlord is required to make to any common area or portion of the Building, which such renovations, repairs or revisions arise out of or are required in connection with Tenant's completion of the Expansion Space Work contemplated herein.





Section 3. Lien Releases. Contractor shall provide Landlord with lien releases as requested by Landlord and confirmation that no liens have been filed against the Expansion Space or the Building. If any liens arise against the Expansion Space or the Building as a result of Tenant's Expansion Space Work, Tenant shall immediately, at Tenant's sole expense, remove such liens and provide Landlord evidence that the title to the Building and Expansion Space have been cleared of such liens.

Section 4. Performance Bonds. Unless waived by Landlord as specified herein, Contractor shall provide payment and performance bonds in an amount equal to 100% of Contractor's contract with Tenant. Landlord agrees to waive performance bonds on the condition that Tenant contracts with a qualified contractor that has been mutually agreed upon.

Section 5. Landlord's Reimbursement for Costs. Pursuant to Paragraph 8 of this Ninth Amendment, Landlord shall pay the portions of the Restated Allowance which is equivalent to: (i) the Expansion Space Allowance no earlier than the Expansion Date, and (ii) the Remaining Allowance for the Existing Premises to Tenant for the Expansion Space Work per Paragraph 1 of this Exhibit B above and for the Improvements to the Existing Premises as set forth in Exhibit B to the Eighth Amendment

Section 6. Pre-Construction Requirements. Prior to Tenant or Contractor commencing any work:

- a) Contractor, and its subcontractors and suppliers, shall be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. As a condition of such approval, so long as the bids and costs for such work are competitive with the other bids that Tenant receives, Contractor shall use Landlord's heating, venting, air-conditioning, plumbing, and electrical subcontractors for such work;
- b) Tenant or Tenant's Contractor shall submit all Plans and Specifications to Landlord, and no work on the Expansion Space shall be commenced before Tenant has received Landlord's final written approval thereof, which shall not be unreasonably withheld, delayed or conditioned;
- c) Contractor shall concurrently submit to Landlord and Tenant a written bid for completion of the Expansion Space Work. Said bid shall include Contractor's overhead, profit, and fees, it being understood that there shall be no administration fee to Landlord's managing agent for supervision of the construction;
- d) Contractor shall complete all architectural and planning review and obtain all permits, including signage, required by the city, state or county in which the Expansion Space are located; and
- e) Contractor shall submit to Landlord verification of public liability and workmen's compensation insurance adequate to fully protect Landlord and Tenant from and against any and all liability for death or injury to persons or damage to property caused in, on or about the Expansion Space or the Building from any cause whatsoever arising out completion of the Expansion Space Work or any other work done by Contractor.
- f) Landlord and Tenant agree that if the Expansion Space Work are actually constructed by Tenant's Contractor at a cost which is less than the Allowance (after taking into account all expenditures for which the Allowance may otherwise be used as set forth in Section 5 hereof), there shall be no monetary adjustment between Landlord and Tenant and the entire cost savings shall accrue to the benefit of Landlord.





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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT

Section 7. Landlord's Administration of Construction. Tenant's Contractor and its subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision. Landlord shall provide the Contractor and its subcontractors reasonable access to the Expansion Space so as to timely complete the Expansion Space Work; reasonable use of the freight elevators for the movement of Contractor's and its subcontractor's materials and laborers; and use of parking spaces in the parking facilities serving the Building at no cost so long as the same are available therefor without disturbing the quiet enjoyment or reasonable access of any other occupant of the Building.

Section 8. Fixed Expansion Date. Tenant acknowledges and agrees that whether or not Tenant has completed construction of the Expansion Space Work, the Expansion Date, shall be as specified in Paragraph 2 of this Ninth Amendment.

Section 9. Compliance with Construction Policies. During construction of the Expansion Space Work, Tenant's Contractor shall adhere to the Construction Policies specified herein below, which represent Landlord's minimum requirements for completion of the Expansion Space Work.

CONSTRUCTION POLICY

The following policies outlined are the construction procedures for the Building. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained herein below:

Section 10. Administration.





- a) Contractors to notify Building Office, prior to starting any work. No exceptions. All jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.
- b) The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.
- c) Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.
- d) As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.
- e) The HVAC contractor is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:
 - i) A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet should also include the location of any fire dampers.
 - ii) An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Eng Engineer at the finish of the HVAC installation.
- f) All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.
- g) The general contractor must provide for the removal of all trash and debris arising during the course of construction. At no time are the building's trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.
- b) Contractors will include in their proposals all costs to include: parking, elevator service, additional security (if required), restoration of carpets, etc. Parking for contractors performing the Expansion Space Work hereunder will be validated free of charge.
- i) Any problems with construction per the plan, will be brought to the attention of and documented to the Building Manager. Any changes that need additional work not described in the bid will be approved in writing by the Building Manager. All contractors doing work on this project should first verify the scope of work (as stated on the plans) before submitting bids; not after the job has started.

Section 11. Building Facilities Coordination.

- a) All deliveries of material will be made through the parking lot entrance.
- b) Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.
- c) Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.

Section 12. Housekeeping.

- a) Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.
- b) All construction done on the property that requires the use of lobbies or common area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:
 - i) Mylar -- Extra heavy-duty to be taped from the freight elevator to the suite under construction.

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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT

- ii) Masonite -1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.
- c) Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.
- d) Food and related lunch debris are not to be left in the suite under construction.
- e) All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All common areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.

Section 13. Construction Requirements.

- a) All Life and Safety and applicable Building Codes will be strictly enforced (i.e. tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.
- b) Electric panel schedules must be brought up to date identifying all new circuits added.
- c) All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.
- d) All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.
- e) All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.
- f) Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.
- g) All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.
- h) All core drilling is not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.
- i) All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:
 - i) A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.
 - ii) A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.
 - iii) The Building Engineer will inspect the construction on a periodic basis as well.
- j) All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor during the course of construction shall be deducted from Tenant's Allowance or Tenant's Security Deposit, as appropriate.

LANDLORD:
DOUGLAS EMMETT 1995, LLC
a Delaware limited liability company
By: DOUGLAS, EMMETT AND COMPANY,
a California corporation,
its agent

By: Michael J. Means
Michael J. Means, Senior Vice President
Dated: 3/16/05

TENANT:
METROPOLITAN WEST ASSET
MANAGEMENT, LLC,
a California limited liability company

By: Scott Dubchansky
Name: Scott Dubchansky
Title: Managing Director
Dated: March 8, 2005

**Douglas
Emmett**

Douglas, Emmett and Company
808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401
Telephone 310.255.7777 Facsimile 310.255.7778

May 23, 2005

VIA CERTIFIED MAIL

Ms. Lisa J. Weeks
Metropolitan West Asset Management
11766 Wilshire Boulevard, Suite 1580
Los Angeles, California 90025

Re: Tenth Amendment to Office Lease
11766 Wilshire Boulevard, Suite 1520
Los Angeles, California 90025

Dear Ms. Weeks:

We are pleased to enclose for your records a fully executed Tenth Amendment to Office Lease dated May 12, 2005 by and between Douglas Emmett 1996, LLC, a Delaware limited liability company and Metropolitan West Asset Management, LLC, a California limited liability company.

If you have any questions, please contact your property manager, Janet Onesian at (310) 478-8444. We look forward to a long and mutually rewarding relationship.

Sincerely,



Michael J. Means
Senior Vice President

MJM:awh

Enclosure

cc: Janet Onesian

TENTH AMENDMENT TO OFFICE LEASE

This Tenth Amendment to Office Lease (the "Tenth Amendment"), dated May 12, 2005, is made by and between DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company successor in interest to Douglas Emmett Realty Fund 1995, a California limited partnership ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1580, Los Angeles, California 90025.

WHEREAS,

- A. Landlord's predecessor, pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Original Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises");
- B. Landlord's predecessor and Tenant subsequently entered into that certain First Amendment to Office Lease, dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Second Amendment"), pursuant to which Tenant leased Suite 1560 of the Building, that certain Third Amendment to Office Lease, dated February 25, 2000 (the "Third Amendment"), pursuant to which Tenant leased additional space on the fifteenth (15th) floor of the Building adjacent to (and which become a part of) the Original Premises, that certain Fourth Amendment to Office Lease, dated March 16, 2001 (the "Fourth Amendment"), pursuant to which Tenant leased Suite 1660 of the Building, that certain Fifth Amendment to Office Lease, dated June 12, 2001 (the "Fifth Amendment"), that certain Sixth Amendment to Office Lease, dated February 22, 2002 (the "Sixth Amendment"), pursuant to which Tenant leased Suite 1650 of the Building, that certain Seventh Amendment to Office Lease, dated October 7, 2003 (the "Seventh Amendment"), pursuant to which Tenant leased Suite 1550 of the Building, and that certain Eighth Amendment to Office Lease, dated December 23, 2003 (the "Eighth Amendment"), pursuant to which Tenant extended the Lease Term for Suite Numbers 1500, 1550 and 1580 only to July 31, 2009 (the "Existing Premises Term"), and returned possession of Suites 1650 and 1660 to Landlord retroactively effective as of December 1, 2003;
- C. Pursuant to that certain Ninth Amendment to Office Lease dated February 23, 2005 Tenant intends to expand its occupancy within the Building to include additional office space adjacent to the Existing Premises, commonly known as Suite 1520 (the "Expansion Space") and thus occupy the entire fifteenth (15th) floor in the Building, as shown on Exhibit A-1, contingent upon Tenant's acceptance of and compliance with the provisions of the Ninth Amendment and Landlord obtaining possession of the Expansion Space from the current occupant;
- D. The Original Premises and Suite 1560 are collectively and commonly known as, and shall be hereinafter referred to as, "Suite 1500";
- E. Suite 1500, Suite 1550 and Suite 1580 shall hereinafter be collectively referred to as the "Existing Premises";
- F. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment and the Ninth Amendment shall be sometimes hereinafter collectively referred to as the "Lease"; and
- G. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Tenth Amendment.
2. **Modifications to Ninth Amendment.**
 - 2.1 **Revision to Expansion Date.** Notwithstanding anything to the contrary in the Ninth Amendment, subject to Landlord obtaining possession of the Expansion Space from the current occupant thereof, the expansion contemplated under this Ninth Amendment shall be effective on September 1, 2005 (the "Expansion Date"), through and including midnight on July 31, 2009 (the "Expansion Term").
 - 2.2 **Adjustment to Expansion Space Allowance.** Notwithstanding anything to the contrary in the Ninth Amendment, if the Expansion Date is in fact September 1, 2005, then the Expansion Space Allowance shall be equal to \$84,627.42 (based upon \$24.28 times 3,485 rentable square feet).
 - 2.3 **Adjustment to Restated Allowance.** Notwithstanding anything to the contrary in the Ninth Amendment, as of the date of this Tenth Amendment:
 - (i) the Remaining Allowance for the Existing Premises is equal to \$389,021.30, which amount together with the Expansion Space Allowance shall be collectively referred to as the "Restated Allowance";


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TENTH AMENDMENT TO OFFICE LEASE (continued)

(ii) the phrase "February 1, 2006" in Paragraph 8.2 of the Ninth Amendment, and Exhibit B of the Ninth Amendment shall be deleted and the phrase "March 1, 2006" inserted in place thereof; and

(iii) the phrase "May 31, 2006" in Paragraph 8.2 of the Ninth Amendment shall be deleted and the phrase "June 30, 2006" inserted in place thereof.

- 3. Acceptance of Premises. Tenant acknowledges that to the best of Tenant's knowledge as of the date hereof, Tenant has, no claim against Landlord in connection with the Existing Premises, Expansion Space or the Lease. Tenant has made its own inspection of and inquiries regarding the Expansion Space, and Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Expansion Space, or the Building for the purposes intended by Tenant.
4. Broker Representation. Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Tenth Amendment other than Douglas, Emmett and Company and CRESA Partners Los Angeles, and Landlord shall be solely responsible for any commissions due to such brokers. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation.
5. Successors and Heirs. The provisions of this Tenth Amendment shall inure to the benefit of Landlord's and Tenant's respective successors, assigns, heirs and all persons claiming by, through or under them.
6. Confidentiality. Landlord and Tenant shall each use commercially reasonable efforts to ensure that the covenants and provisions of this Tenth Amendment are not discussed with anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.
7. Submission of Document. No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Tenth Amendment, until both Landlord and Tenant have executed and delivered this Tenth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Tenth Amendment.
8. Disclosure. Landlord and Tenant acknowledge that principals of Landlord have a financial interest in Douglas Emmett Realty Advisors, Douglas, Emmett & Company, and P.L.E. Builders.
9. Governing Law. The provisions of this Tenth Amendment shall be governed by the laws of the State of California.
10. Reaffirmation. Landlord and Tenant acknowledge and agree that the Lease, as amended by the documents contained in Recital A hereinabove, and as further amended herein, constitutes the entire agreement by and between Landlord and Tenant, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the later of the day and year written below.

LANDLORD:
DOUGLAS EMMETT 1995, LLC,
a Delaware limited liability company
By: DOUGLAS, EMMETT AND COMPANY,
a California corporation
its agent
Michael J. Means, Senior Vice President
6/23/06

TENANT:
METROPOLITAN WEST ASSET
MANAGEMENT, LLC,
a California limited liability company
By: Scott Dubchansky
Signer's Name: Scott Dubchansky
Its: Managing Director
Dated: May 13, 2005

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Douglas Emmett

Douglas Emmett Management, LLC
808 Wilshire Boulevard, 2nd Floor, Santa Monica, California 90401
Telephone 310.255.7777 Facsimile 310.255.7778

February 3, 2009

VIA CERTIFIED MAIL

Mr. David Lippman
Metropolitan West Asset Management, LLC
11766 Wilshire Boulevard, Suite 1500
Los Angeles, California 90025

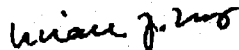
Re: Eleventh Amendment to Office Lease
11766 Wilshire Boulevard, Suite 1610 and the 15th Floor
Los Angeles, California 90025

Dear Mr. Lippman:

We are pleased we were able to accommodate Metropolitan West Asset Management's expansion requirements at Landmark II. Enclosed for your records is one (1) fully executed Eleventh Amendment to Office Lease dated January 30, 2009 by and between Douglas Emmett 1995, LLC, a Delaware limited liability company and Metropolitan West Asset Management, LLC, a California limited liability company.

If there is anything else we can do to assist you at this time, please do not hesitate to contact your property manager, Helene Altman at (310) 478-8444. We look forward to your continued occupancy at Landmark II.

Sincerely,



Michael J. Means
Senior Vice President

MJM:ssy
Enclosure
cc:

John Sharkey, Esq.
Mike Allen
Mike Catalano, Studley

ELEVENTH AMENDMENT TO OFFICE BUILDING LEASE

This Eleventh Amendment to Office Building Lease (the "Eleventh Amendment"), dated January 30, 2009, is made by and between DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1500, Los Angeles, California 90025.

WHEREAS,

A. Douglas Emmett Realty Fund 1995, a California limited partnership ("DERF 1995"), pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Original Lease"), leased to Tenant, and Tenant leased from DERF 1995, space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises");

B. DERF 1995 and Tenant subsequently entered into that certain First Amendment to Office Lease, dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Second Amendment"); that certain Third Amendment to Office Lease, dated February 25, 2000 (the "Third Amendment"), dated March 16, 2001 (the "Fourth Amendment"); that certain Sixth Amendment to Office Lease, dated February 22, 2002 (the "Sixth Amendment"); that certain Seventh Amendment to Office Lease, dated October 7, 2003 (the "Seventh Amendment"); and that certain Eighth Amendment to Office Lease, dated December 23, 2003 (the "Eighth Amendment");

C. Landlord subsequently succeeded to the interest of DERF 1995 under the Original Lease, as amended;

D. Landlord and Tenant subsequently entered into that certain Ninth Amendment to Office Lease dated February 23, 2005 (the "Ninth Amendment"), and that certain Tenth Amendment to Office Lease dated May 12, 2005 (the "Tenth Amendment");

E. The Original Premises, and the following premises in the Building are now collectively known as Suite 1500, and shall be hereinafter referred to as the Existing Premises: Suite 1500, Suite 1520, Suite 1550, Suite 1560 and Suite 1580;

F. Tenant wishes to expand its occupancy within the Building to include additional office space in the Building, commonly known as Suite 1610 (the "Expansion Space"), as depicted on Exhibit A attached hereto and incorporated herein by this reference, which expansion Landlord has conditionally permitted, contingent upon (i) Tenant's acceptance of and compliance with the provisions of this Eleventh Amendment and (ii) the existing tenant occupying the Expansion Space surrendering possession of the Expansion Space;

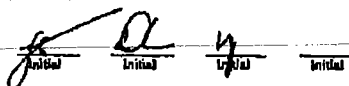
G. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment, the Ninth Amendment and the Tenth Amendment shall be hereinafter collectively referred to as the "Lease"; and

H. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Eleventh Amendment.
2. **Extension of Term; Renewal Date.** The Term of the Lease is hereby extended eight (8) years (the "Extended Term"), from and including August 1, 2009 (the "Renewal Date"), through and including midnight on July 31, 2017 (the "Termination Date").
3. **Expansion Date.** Subject to the contingencies set forth in this Section 3, below, the term of the lease of the Expansion Space contemplated hereunder shall commence on the date (the "Expansion Date") that is the earlier of (i) one hundred twenty (120) days after the delivery of the Expansion Space to Tenant or (ii) the date the Tenant commences business from the Expansion Space, and shall continue through and including the Termination Date. The anticipated Expansion Date is November 1, 2009. As soon as the Expansion Date is determined, Landlord and Tenant shall promptly execute an amendment to the Lease confirming the finalized Expansion Date and Expansion Term. Tenant shall be permitted to construct certain Improvements (as such term is defined in Exhibit B attached hereto and made a part hereof) in the Expansion Space and the Existing Premises in accordance with and subject to Exhibit B. Tenant acknowledges that the Expansion Space is occupied by an existing tenant and that Landlord's right to deliver possession of the Expansion Space is subject to such tenant vacating the Expansion Space and surrendering possession of the Expansion Space.

Landlord will use commercially reasonable efforts to cause the tenant occupying the Expansion Space to vacate the Expansion Space on or before the scheduled term expiration date of June 30, 2009, but Tenant acknowledges that Landlord shall not be liable to Tenant if the existing tenant occupying the Expansion Space fails to timely surrender possession of its premises. Tenant shall


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lease the Expansion Space on the terms set forth in this Eleventh Amendment if Landlord delivers the Expansion Space to Tenant in accordance with this Eleventh Amendment.

If for any reason Landlord is unable to deliver possession of the Expansion Space to Tenant on July 1, 2009, the provisions of this Eleventh Amendment shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession. However, Tenant shall not be obligated to pay the increase in Fixed Monthly Rent or Additional Rent that Tenant is required to pay hereunder attributable to the Expansion Space until the Expansion Date. Except for such delay in the commencement of any such increase in Rent, Landlord's failure to give possession on July 1, 2009 shall in no way affect Tenant's obligations hereunder, including the obligation to pay Rent as required hereunder during the Extended Term.

If possession of the Expansion Space is not tendered by Landlord on or before December 31, 2009, then Tenant shall have the right to void only those provisions of this Eleventh Amendment governing the lease of the Expansion Space by giving written notice to Landlord, which notice shall be given within fifteen (15) days after Landlord notifies Tenant that it will not be able to deliver the Expansion Space prior to the expiration of such time period. If such notice of termination is not given by Tenant within said fifteen day time period, then this Eleventh Amendment shall continue in full force and effect in all respects.

4. **Expansion of Premises.** As of the Expansion Date, the definition of the Premises shall be revised to include both the Existing Premises and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Space together, as if the same had been originally included in said Lease.

As of the Expansion Date, the Usable Area of the Premises shall increase from 19,832 square feet to 24,603 square feet and the Rentable Area of the Premises shall increase from 23,503 square feet to 29,146 square feet.

Landlord and Tenant agree that the Usable Area of the Expansion Space has been measured according to the June, 1996 standards published by the Building Owners' and Managers' Association ("BOMA"), and that Landlord is utilizing a deemed add-on factor of 18.28% to compute the Rentable Area of the Expansion Space. Rentable Area herein is calculated as 1.1828 times the estimated Usable Area, regardless of what the actual square footage of the common areas of the Building may be, and whether or not they are more or less than 18.28% of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant further agree that even if the Rentable or Usable Area of the Expansion Space and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of the Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Expansion Space, as the case may be.

5. **Revision in Tenant's Share of Operating Expenses.** As of the Renewal Date, Tenant's Share, solely with respect to the Existing Premises, shall be 6.05%. As of the Expansion Date, Tenant's Share, solely with respect to the Expansion Space, shall be 1.45%. Tenant shall not be obligated to pay Operating Expenses for the first twelve (12) months after the Renewal Date, with respect to the Existing Premises, and for the first twelve (12) months after the Expansion Date, with respect to the Expansion Space.

6. **Revision in Monthly Fixed Rent; Amortization Rent.**

a. **Existing Premises.** Commencing August 1, 2009, and continuing through July 31, 2010, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall be \$76,384.75 per month.

Commencing August 1, 2010, and continuing through July 31, 2011, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall increase from \$76,384.75 per month to \$79,440.14 per month.

Commencing August 1, 2011, and continuing through July 31, 2012, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall increase from \$79,440.14 per month to \$82,617.75 per month.

Commencing August 1, 2012, and continuing through July 31, 2013, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall increase from \$82,617.75 per month to \$85,922.46 per month.





Commencing August 1, 2013, and continuing through July 31, 2014, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall increase from \$85,922.46 per month to \$89,359.35 per month.

Commencing August 1, 2014, and continuing through July 31, 2015, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall increase from \$89,359.35 per month to \$92,486.93 per month.

Commencing August 1, 2015, and continuing through July 31, 2016, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall increase from \$92,486.93 per month to \$95,723.97 per month.

Commencing August 1, 2016, and continuing throughout the remainder of the Extended Term, the Monthly Fixed Rent payable by Tenant for the Existing Premises shall increase from \$95,723.97 per month to \$99,074.31 per month.

b. **Expansion Space.** If the Expansion Space is available for lease as provided in this Eleventh Amendment, then:

   
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Commencing on the Expansion Date, and continuing through July 31, 2010, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall be \$18,339.75 per month.

Commencing August 1, 2010 and continuing through July 31, 2011, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$18,339.75 per month to \$19,073.34 per month.

Commencing August 1, 2011, and continuing through July 31, 2012, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$19,073.34 per month to \$19,836.27 per month.

Commencing August 1, 2012, and continuing through July 31, 2013, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$19,836.27 per month to \$20,629.72 per month.

Commencing August 1, 2013, and continuing through July 31, 2014, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$20,629.72 per month to \$21,454.91 per month.

Commencing August 1, 2014, and continuing through July 31, 2015, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$21,454.91 per month to \$22,205.83 per month.



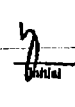
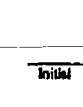
Commencing August 1, 2015, and continuing through July 31, 2016, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$22,205.83 per month to \$22,983.04 per month.

Commencing August 1, 2016, and continuing throughout the remainder of the Extended Term, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$22,983.04 per month to \$23,787.43 per month.

c. **Amortization Rent.** If the cost of completing the Improvements exceeds the Allowance specified in Exhibit B, attached hereto and incorporated herein by this reference, then upon written request from Tenant (which shall be delivered to Landlord on or before December 31, 2009) Landlord agrees to advance on behalf of Tenant up to a maximum amount equal to \$15.00 per square foot of Usable Area contained in the Premises which shall be referred to herein as "Excess Improvements," which total advance, with no interest thereon shall be repaid by Tenant as "Amortization Rent". Amortization Rent shall mean the total cost of Excess Improvements, with zero interest thereon, amortized over the Extended Term, to be paid to Landlord by Tenant. Amortization Rent shall be paid monthly (except for the first payment, retroactive to August 1, 2009 referred to below), at the same time and in the same manner as Monthly Fixed Rent. If Tenant requests Amortization Rent in accordance with this Eleventh Amendment then Landlord shall deliver to Tenant a written schedule of Amortization Rent payments due, which written schedule shall be incorporated as part of the Lease. The amount of Excess Improvements shall be amortized with no interest on a straight-line basis over the Extended Term, commencing on August 1, 2009. Landlord shall use commercially reasonable efforts to deliver the payment schedule promptly after receipt of Tenant's request but in no event shall Landlord be deemed to have waived its right to collect the Amortization Rent in the event Landlord fails to deliver such notice (provided that Tenant will have no obligation to pay Amortization Rent until Landlord provides written notice of the amounts due). The advance for Excess Improvements shall be available for disbursement only during the period commencing on August 1, 2009 and ending on December 31, 2011. Notwithstanding that Landlord may advance funds for Excess Improvements after August 1, 2009, Amortization Rent payments shall be calculated assuming such funds are advanced on August 1, 2009. The total amount of Amortization Rent due from August 1, 2009 through the date the Amortization Rent payment schedule is delivered to Tenant shall be paid by Tenant to Landlord in one payment within ten (10) business days after Tenant's receipt of the payment schedule.

7. **Base Year.** As of the Expansion Date, the Base Year for the Expansion Space, shall be calendar year 2010. Effective as of the Renewal Date, the Base Year for the Existing Premises shall be calendar year 2010.

8. **Security Deposit.** Landlord acknowledges that it currently holds the sum of \$60,490.28 as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Term, unless otherwise applied pursuant to the provisions of the Lease. Concurrent with Tenant's execution and delivery to Landlord of this Eleventh Amendment, Tenant shall tender the sum of \$62,371.46, which amount Landlord shall add to the Security Deposit already held by Landlord, so that thereafter, throughout the Term, provided the same is not otherwise applied, Landlord shall hold a total of \$122,861.74 as a Security Deposit on behalf of Tenant. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Article 20 of the Original Lease, and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of the Lease or the acts or omission of Tenant or any Tenant Party. As used in the Lease a "Tenant Party" shall mean Tenant, any employee of Tenant, or any agent, authorized representative, design consultant or construction manager engaged by or under the control of Tenant.

9. **Increase in Parking Permits.** As of the date of this Eleventh Amendment Tenant is entitled, at Tenant's option, to up to eighty-eight (88) parking permits attributable to the Existing Premises. During the Extended Term, (a) Tenant shall maintain the rights to the eighty-eight (88) parking permits in their current locations and (b) as of the Expansion Date (if the Expansion Space is available for lease in accordance with this Eleventh Amendment), Tenant shall be entitled to up to seventeen (17) additional parking permits attributable to the Expansion Space. The rates chargeable to Tenant for Tenant's parking permits shall be at the posted monthly parking rates and charges then in effect, plus any and all applicable taxes. Such rates may be changed from time to time, in Landlord's sole discretion, except that as of the Renewal Date Tenant's parking rates shall not increase by more than five percent (5%) each calendar year on a cumulative basis (i.e., Landlord shall be entitled to carry forward unused increases when parking rates increase at uneven rates. By way of example only, if parking rates increase only three percent (3%) in one calendar year, the additional two percent (2%) can be applied to the following calendar year so that if rates rise by seven percent (7%) in that second calendar year, Landlord could increase Tenant's parking rates in the amount of the entire increase). Tenant shall be entitled to a parking permit charge credit in the total amount of \$20,000, fifty percent (50%) of which shall be applied against parking charges due in January 2010 and fifty percent (50%) of which shall be applied against parking charges due in February 2010.





10. **Satellite Dish.** Article 30 of the Lease, which was set forth in the Second Amendment, is hereby deleted in its entirety and replaced with this Section 10.

10.1. **Satellite Dish And Other Communications Equipment.** Landlord hereby grants Tenant the nonexclusive right, at Tenant's sole cost and expense, and subject to the provisions of this Section 10 and further subject to the availability of space therefor, to install, operate and maintain one (1) satellite dish no larger than 18" in diameter ("Satellite Dish") on the roof of the Building in a location designated by Landlord in Landlord's sole and absolute discretion. In addition, Tenant shall have the right, subject to the available capacity of the Building, to install such connection equipment, such as conduits, cables, risers, feeders and materials (collectively, the "Connecting Equipment," hereinafter referred to together and/or separately with the Satellite Dish as the "Transmission and/or Reception Equipment") in the shafts, ducts, conduits, chases, utility closets and other facilities of the Building as is reasonably necessary to connect the Satellite Dish to Tenant's other equipment in the Premises, subject however, to the provisions of this Section 10 and subject to the availability of vertical riser and feeder excess capacity, as determined by Landlord.

Tenant shall also have the right of access to the areas where any such Transmission and/or Reception Equipment is located for the purposes of maintaining, repairing, testing and replacing the same, provided that Tenant shall not be provided access to the roof without in each instance notice to Landlord and having a representative of the Landlord accompany Tenant or any of its contractors. All plans and specifications for the Transmission and/or Reception Equipment shall be subject to Landlord's prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. It shall be reasonable for Landlord to withhold its approval to Tenant's plans in the event, without limitation, that the Transmission and/or Reception Equipment would interfere with the rights of any parties existing as of the date of this Eleventh Amendment or if applicable law does not permit installation and/or operation. As a condition to Landlord's approval, Landlord may require Tenant to install certain improvements to the roof to protect the roof from abnormal wear and tear, all at Tenant's sole cost and expense. Any additions, alterations, replacements, modifications to or relocation of any of the Transmission and/or Reception Equipment initially approved by Landlord shall be subject to the prior written approval of Landlord, which approval may be withheld or granted in Landlord's sole and absolute discretion.

10.2. **Installation.** The installation, repair and/or replacement of the Transmission and/or Reception Equipment shall be performed in a good and workmanlike manner at Tenant's sole cost and expense. Tenant acknowledges that the local telephone company can extend lines but not circuits directly into the Premises and that a third party vendor may only connect telephone lines from the telephone board in the Premises through the conduit to the outside connection locations. The installation, use, repair, replacement and maintenance of the Transmission and/or Reception Equipment shall be performed in compliance with all applicable statutes, codes, rules ordinances and all other applicable laws of all governmental authorities with jurisdiction over the same. Tenant, at Tenant's sole cost and expense, shall obtain and maintain current all permits and other approvals required by any governmental authority with jurisdiction over the Transmission and/or Reception Equipment. The Transmission and/or Reception Equipment shall be treated for all purposes of this Eleventh Amendment as if the same were Tenant's property. For the purposes of determining Tenant's obligations with respect to its use of the roof of the Building herein provided, the portion of the roof of the Building affected by the Transmission and/or Reception Equipment shall be deemed to be a portion of the Premises, and all of the provisions of this Eleventh Amendment with respect to the Premises shall apply to the installation, use and maintenance of the Transmission and/or Reception Equipment, including without limitation, provisions relating to compliance with requirements as to insurance, indemnity, repairs and maintenance, and compliance with laws. Landlord shall have no obligation with regard to the affected portion of the roof or the Transmission and/or Reception Equipment.

10.3. **Non-exclusive Right.** It is expressly understood that Landlord retains the right to grant third parties the right to utilize any portion of the roof not utilized by Tenant and to use the portion of the roof on which the Transmission and/or Reception Equipment is located for any purpose whatsoever. In no event shall Tenant's Transmission and/or Reception Equipment interfere with the rights granted to any other tenant.

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11. Right of First Offer. Any rights of first offer or expansion rights set forth in the Lease, including, without limitation, Sections 13 and 14 of the Eighth Amendment, and Article 29 of the Original Lease, are hereby deleted in their entirety.

11.1. Right of First Offer. Landlord hereby grants to the named Tenant herein (and any Permitted Transferee (as defined in Section 10.2 of the Eighth Amendment) a continuing right of first offer during the Extended Term (and to expire upon the Termination Date) with respect to any space located on the fourteenth (14th) floor of the Building and any space on the sixteenth (16th) floor of the Building (collectively, the "First Offer Space"). Notwithstanding the foregoing, such right of first offer shall apply as to any portion of the First Offer Space only following the expiration or earlier termination of the existing leases including any renewals or extensions thereof (whether pursuant to an express written provision in an existing lease or otherwise, including at Landlord's election in Landlord's sole and absolute discretion) of office space within the subject portion of the First Offer Space, and such right of first offer shall be subject and subordinate to all rights of expansion, rights of first refusal, must-take obligations, rights of first offer, or similar rights granted to other tenants of the Building existing as of the date of this Eleventh Amendment (collectively, the "Superior Right Holders") with respect to such First Offer Space. Tenant shall not be entitled to exercise its right of first offer as to any First Offer Space unless at least twenty-four (24) months remain before expiration of the Extended Term (including any Option Term) (measured from the time the lease of the First Offer Space would commence). Tenant's right of first offer shall be on the terms and conditions set forth in this Section 11.

11.2. Procedure for Offer. Landlord shall notify Tenant (the "First Offer Notice") from time to time when any separately demised portion of the First Offer Space becomes vacant and available for lease to third parties, or if Landlord has knowledge that such demised space will become vacant and available in the near future, provided that no Superior Right Holder wishes to lease such space. Pursuant to such First Offer Notice, Landlord shall offer to lease to Tenant the then available First Offer Space on the terms set forth in the First Offer Notice.

11.3. Procedure for Acceptance. If Tenant wishes to exercise Tenant's right of first offer with respect to the space described in the First Offer Notice, then within ten (10) business days after delivery of the First Offer Notice to Tenant, Tenant shall deliver notice to Landlord of Tenant's intention to exercise its right of first offer with respect to the entire space described in the First Offer Notice and on the terms contained in such First Offer Notice provided, that such terms shall be in accordance with the terms of the Lease then applicable to the Premises (including but not limited to expiration date and renewal options), with the exception of Fixed Monthly Rent, the effective date and amount of increases in Fixed Monthly Rent; Base Year, and any Tenant concessions that Landlord has elected in its sole and absolute discretion to include in the First Offer Notice. If Tenant does not so notify Landlord within the ten (10) business day period, then Landlord shall be free to lease the space described in the First Offer Notice to anyone to whom Landlord desires on any terms Landlord desires provided that in the event Landlord intends to enter into a lease for the subject First Offer Space (or any increment thereof Landlord elects to market in Landlord's sole and absolute discretion which was not the Offer Notice) within twelve (12) months following the date of the delivery of the First Offer Notice on terms which are "materially more favorable" (as hereinafter defined) than those terms offered to Tenant, then Landlord must first offer the same terms to Tenant in a written notice to Tenant ("Revised Offer Notice"). Tenant shall have five (5) business days to deliver an acceptance of the new terms contained in the Revised Offer Notice. If Tenant does not tender the acceptance of the terms contained in the Revised Offer Notice within five (5) business days after receipt of the Revised Offer Notice, then the same process shall be repeated until the expiration of the twelve (12) month period following Landlord's delivery of the First Offer Notice, after which Landlord may lease the subject portion of the First Offer Space to any third party it chooses on any terms in Landlord's sole and absolute discretion. For purposes of this Section 11.3, "materially more favorable" shall mean that the net economic terms are at least seven percent (7%) more favorable to the prospective tenant than the net economic terms offered to Tenant in the most recent First Offer Notice or Revised Offer Notice (net economic terms shall include any allowances, free rent (including during any construction period), base year or other operating expense protection, base rental rate and any other monetary concessions). Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its right of first offer, if at all, with respect to all of the space offered by Landlord to Tenant at any particular time, and Tenant may not elect to lease only a portion thereof or on terms different from those offered in the First Offer Notice.

11.4. Amendment to Lease. If Tenant timely exercises Tenant's right to lease the First Offer Space as set forth herein, Landlord and Tenant shall timely execute an amendment to the Lease for such First Offer Space upon the terms and conditions as set forth in the First Offer Notice, which shall supersede any terms set forth in the Lease, and upon the other terms of the Lease, including the term and including any renewal options.

11.5. Termination of Right of First Offer. The rights contained in this Section 11 shall be personal to named Tenant herein (and any Permitted Transferee), and may only be exercised by Tenant and any Permitted Transferee (and not by any other transferee of Tenant's interest in the Lease) and only if Tenant (or a Permitted Assignee) occupies the entire Premises. The right of first offer granted herein shall terminate as to particular portion of the First Offer Space upon the failure by Tenant to exercise its right of first offer with respect to such First Offer Space as offered by Landlord (and subject to a revised offer, if applicable, in accordance with the terms of Section 11.3, above), but shall continue with respect to other portions of the First Offer Space. Tenant shall not have the right to lease First Offer Space, as provided in this Section 11, if, as of the date of the attempted exercise of any right of first offer by Tenant, or as of the scheduled date of delivery of

such First Offer Space to Tenant, Tenant is in default under the Lease or Tenant has previously been in default under this Eleventh Amendment more than once, in each case beyond any applicable notice and cure periods.

12. Option to Extend. Any option to renew in the Lease including, without limitation, Section 12 of the Eighth Amendment, and Article 28 of the Original Lease, are hereby deleted in their entirety.

12.1. Option to Extend Term. Subject to the rights of pre-existing tenants as of the execution date of this Lease, and provided Tenant is not in material default after the expiration of notice and the opportunity to cure on the date or at any time during the remainder of the Term after Tenant gives notice to Landlord of Tenant's intent to exercise its rights pursuant to this Section 12, Tenant is hereby given the option to extend the term for an additional five (5) year period (the "Second Extended Term"), commencing the next calendar day after the expiration of the Term (the "Option"). The Option shall apply only to the entirety of the Premises (except that Tenant may exclude, at Tenant's option, the Expansion Space or any First Offer Space (as such terms are defined in this Eleventh Amendment and not as defined pursuant to any previous Tenant expansions), and Tenant shall have no right to exercise the Option as to only a lesser portion of the Premises. In the event Tenant elects not to include the Expansion Space and/or any First Offer Space in the Second Extended Term, then prior to the commencement of the Second Extended Term Landlord shall, at Tenant's sole cost and expense, demise any such surrendered premises that is contiguous to the Premises to be included in the renewal. Tenant shall be responsible for any and all costs relate to such demise, including, without limitation, any code upgrades required. Prior to Landlord commencing such demise work, Landlord shall deliver to Tenant an estimate of the cost of the work (together with an itemization in reasonable detail of the costs). Tenant shall pay such amount within ten (10) business days after receipt of the estimate and, upon completion of the work and a determination of the final costs, the parties shall reconcile amounts due, as applicable, to Tenant or Landlord.

Tenant's exercise of this Option is contingent upon Tenant giving written notice to Landlord (the "Option Notice") of Tenant's election to exercise its rights pursuant to this Option by Certified Mail, Return Receipt Requested, no more than twelve (12) and no less than nine (9) months prior to the Termination Date.

12.2. Fixed Monthly Rent Payable. The Rent payable by Tenant during the Second Extended Term ("Option Rent") shall be equal to the Fair Market Value of the Premises as of the commencement date of the Second Extended Term. . The term "Fair Market Value" shall include but not be limited to, all economic benefits reasonably obtainable by Landlord, including Fixed Monthly Rent and increases in Fixed Monthly Rent, Additional Rent in the form of Operating Expense reimbursements, and any and all other monetary or non-monetary consideration that may be given in the market place to a non-renewal tenant, as is chargeable for a similar use of comparable space in the geographic area of the Premises and including specifically all concessions then provided to tenants, such as tenant improvement allowances, rental abatements and other concessions, operating expense base year and stops, length of term, and payment of brokerage commissions.

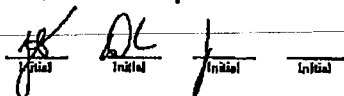
Landlord and Tenant shall have thirty (30) days (the "Negotiation Period") after Landlord receives the Option Notice in which to agree on the Fair Market Value. If Landlord and Tenant agree on the Fair Market Value during the Negotiation Period, they shall immediately execute an amendment to the Lease extending the Term and stating the Fair Market Value.

12.3. Appraisers to Set Fixed Monthly Rent. If Landlord and Tenant are unable to agree on the Fair Market Value during the Negotiation Period, then:

a) Landlord and Tenant, each at its own cost, shall select an independent real estate appraiser with at least ten (10) years full-time commercial appraisal experience in the area in which the Premises are located, and shall provide written notice to the other party of the identity and address of the appraiser so appointed. Landlord and Tenant shall make such selection within ten (10) days after the expiration of the Negotiation Period.

b) Within thirty (30) days of having been appointed to do so (the "Appraisal Period"), the two (2) appraisers so appointed shall meet and set the Fair Market Value for the Second Extended Term. In setting the Fair Market Value, the appraisers shall solely consider the use of the Premises for general office purposes.

12.4. Failure by Appraisers to Set Fair Market Value. If the two (2) appointed appraisers are unable to agree on the Fair Market Value within ten (10) days after expiration of the Appraisal Period, they shall elect a third appraiser of like or better qualifications, and who has not previously acted in any capacity for either Landlord or Tenant. Landlord and Tenant shall each bear one half of the costs of the third appraiser's fee. Within five (5) business days after the selection of the Third Appraiser, Landlord and Tenant will each place in a sealed envelope their final proposal as to Fair Market Value ("Final Landlord Proposal" and "Final Tenant Proposal"). Landlord and Tenant shall deliver to each other and to the third appraiser the Final Tenant Proposal and the Final


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Landlord Proposal within the five (5) business day period. The Final Landlord Proposal and Final Tenant Proposal may or may not be the final proposals made by Landlord and Tenant to each other during the Negotiation Period or Appraisal Period. The third appraiser appointed shall determine the Fair Market Value within ten (10) business days after receipt of the Final Tenant Proposal and the Final Landlord Proposal by determining whether the Final Landlord Proposal or Final Tenant Proposal is closer to the actual Fair Market Value.

The third appraiser shall immediately notify Landlord and Tenant of the Fair Market Value so established, and Landlord and Tenant shall promptly thereafter execute an amendment to the Lease, extending the Term and revising the Fixed Monthly Rent payable pursuant to the Fair Market Value so established.

Landlord or Tenant's failure to execute such amendment establishing the Fair Market Value within fifteen (15) days after the other party's request therefor shall constitute a material default under the Lease.

12.5. No Right of Reinstatement or Further Extension. Once Tenant has either failed to exercise its rights to extend the term pursuant to this Section 12, it shall have no right of reinstatement of its Option to Extend the Term, nor shall Tenant have any right to a further or second extension of the Term beyond the period stated in Section 12.1 hereinabove.

12.6. No Assignment of Option. This Option is personal to the original Tenant signing the Lease and any Permitted Transferee, and shall be null, void and of no further force or effect as of the date that Tenant assigns the Lease to an entity other than a Permitted Transferee and/or subleases more than forty-nine percent (49%) of the total Rentable Area of the Premises to an entity other than a Permitted Transferee.

13. Acceptance of Premises. Tenant acknowledges that it has been in possession of the Existing Premises for approximately nine (9) years and has no claim against Landlord in connection with the Existing Premises or the Lease. Tenant has made its own inspection of and inquiries regarding the Expansion Space. Therefore, Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Existing Premises, the Expansion Space, or the Building for the purposes intended by Tenant.

14. Proposition 13 Protection and Repurchase. Section 6.4 of the Eighth Amendment is hereby deleted in its entirety and shall have no force or effect.

14.1 Proposition 13 Protection. Notwithstanding any other provision of the Lease, if at any time commencing on January 1, 2009 and expiring on the Termination Date, any sale, transfer, or change of ownership of the Building and/or Real Property or any portion of the same or in any entity having a direct or indirect interest in all or any portion of the same is consummated and, as a result thereof, all or part of the Building and/or Real Property is reassessed ("Reassessment") for real estate tax purposes by the appropriate government authority subject to the terms of Proposition 13, the terms of this Section 14 shall apply to such Reassessment. In the event Proposition 13 is repealed or modified, the provisions of this Section 14 shall be applied as if no such repeal or modification was effective.

(a) For purposes of this Section 14, the term "Tax Increase" shall mean that portion of Operating Expenses, as calculated immediately following any such the Reassessment that is attributable solely to the Reassessment. Accordingly, a Tax Increase shall not include any portion of the Operating Expenses, as calculated immediately following the Reassessment that is attributable to:

(i) the assessment value of the Building and the Real Property, the base Building, or the tenant improvements located in the Building prior to the Reassessment; or

(ii) assessments pending immediately before the Reassessment that were conducted during, and included in, such Reassessment or that were otherwise rendered unnecessary following the Reassessment; or

(iii) the annual inflationary increase in real estate taxes (currently two percent (2%) per annum); or

(iv) any real property taxes and assessments incurred during the Base Year as determined under the Lease which are included in the calculation of Operating Expenses for the Base Year (exclusive of the effects, if any, of any Proposition 8 reduction).


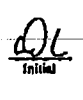
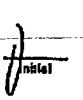
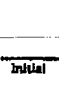
(b) During calendar years 2009, 2010 and 2011, Tenant shall not be obligated to pay any amount of the Tax Increase allocable to any Reassessment;

(c) During calendar years 2012 and 2013, Tenant shall only be obligated to pay twenty-five percent (25%) of the Tax Increase relating to any Reassessment.

(d) During calendar years 2014 and 2015, Tenant shall only be obligated to pay fifty percent (50%) of the Tax Increase relating to any Reassessment.

(e) During calendar years 2016 and 2017, Tenant shall only be obligated to pay seventy-five (75%) percent of the Tax Increase relating to any Reassessment.

The Proposition 13 protection granted to Tenant hereunder shall be void and of no further force or effect in the event of an assignment of the Lease or sublease of more than forty-nine percent (49%)

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of the Premises to an entity that is not a Permitted Transferee (as such capitalized term is defined in Section 10 of the Eighth Amendment).





14.2 Purchase of Proposition 13 Protection Amount. The amount of any Tax Increase which Tenant is not obligated to pay, if any, in connection with a particular Reassessment pursuant to the terms of Section 14.1 above shall be referred to hereinafter as a "Proposition 13 Protection Amount". If, in connection with a pending or anticipated sale, transfer, refinancing or change of ownership of the Building and/or Real Property by Landlord, the occurrence of a Reassessment is reasonably foreseeable by Landlord and the Proposition 13 Protection Amount attributable to such Reassessment can be reasonably quantified or estimated for each calendar year of the Term commencing with the year in which the Reassessment will occur, the terms of this Section 14.2 shall apply to each such Reassessment. Upon notice to Tenant, Landlord shall have the right to purchase the Proposition 13 Protection Amount relating to the applicable Reassessment (the "Applicable Reassessment"), within a reasonable period of time prior to the pending or anticipated sale, transfer, refinancing or change of ownership of the Building and/or Real Property by Landlord, by paying to Tenant an amount equal to the "Proposition 13 Purchase Price", as that term is defined below. Landlord's right to purchase the Proposition 13 Protection Amount shall expire and terminate upon the sale, transfer, refinancing or change of ownership of the Building and/or Real Property by Landlord if prior thereto Landlord did not exercise the right of purchase, or upon Landlord's failure to pay the Proposition 13 Purchase Price to Tenant on or before the closing of such sale, transfer, refinancing or change of ownership.

As used herein, "Proposition 13 Purchase Price" shall mean the present value of the Proposition 13 Protection Amount remaining during the Extended Term, as of the date of payment of the Proposition 13 Purchase Price by Landlord. Such present value shall be calculated (i) by using the portion of the Proposition 13 Protection Amount attributable to each remaining calendar year of the Term of the Lease (as though the portion of such Proposition 13 Protection Amount benefited Tenant in the middle of each such year), as the amounts to be discounted, and (ii) five percent (5%). Upon such payment of the Proposition 13 Purchase Price, the provisions of Section 14.1 above, shall not apply to any Tax Increase attributable to the Applicable Reassessment. Since Landlord, if Landlord exercises its repurchase right hereunder, will be estimating the Proposition 13 Purchase Price because a Reassessment has not yet occurred, then when such Reassessment occurs, if Landlord has underestimated the Proposition 13 Purchase Price, then upon notice by Landlord to Tenant, Tenant's Rent next due shall be credited with the amount of such underestimation, and if Landlord overestimates the Proposition 13 Purchase Price, then upon notice by Landlord (to be given promptly following Landlord's receipt of notice of Reassessment) to Tenant, Rent next due following thirty (30) days after notice shall be increased by the amount of the overestimation. If in anticipation of the sale, transfer, refinancing or change of ownership of the Building and/or Real Property, Landlord has paid Tenant the Proposition 13 Purchase Price but Tenant is notified in writing by Landlord that the sale, transfer, refinancing or change of ownership was not or will not be completed, Tenant shall have the right in its sole and absolute discretion to return the Proposition 13 Purchase Price to Landlord within ten (10) business days after receipt of such written notice.

15. SNDA. Landlord shall use commercially reasonable efforts to deliver to Tenant on or before ninety (90) days after this Eleventh Amendment is mutually executed by Landlord and Tenant, a subordination non-disturbance agreement from EUROHYPO AG, New York Branch, as Administrative Agent on behalf of a syndicate of lenders (collectively, the "Lender") which is the beneficiary under a first-lien deed of trust encumbering the Building, substantially in the form of Exhibit C attached hereto and made a part hereof ("SNDA"). Lender requires that Tenant and Landlord execute the SNDA prior to Lender's execution thereof. Tenant shall pay to Landlord, within thirty (30) days following Tenant's receipt of Landlord's billing, the reasonable out-of-pocket costs incurred by Landlord or Lender in connection with obtaining (or attempting to obtain) the SNDA, including legal fees and costs, not to exceed \$1,000.

16. Signage. As of the date of this Eleventh Amendment, no monument signage exists at the Building. Landlord and Tenant agree that in the event Landlord elects to install an exterior monument sign at Landlord's sole expense, and if the named Tenant executing this Eleventh Amendment (or a Permitted Transferee) is then leasing and occupying at least one full floor in the Building and is not then in material default of its obligations under the Lease (with such material default continuing after the expiration of any applicable notice and cure periods), then Tenant shall have the non-exclusive right to placement of signage on such monument upon payment of the fabrication or installation costs of Tenant's actual signage thereon only. Any such signage would be subject to Landlord's signage design rules and regulations, which will be provided to Tenant in the event any such signage is installed, and all applicable laws. Any and all costs whatsoever associated with the fabrication, maintenance, installation and/or removal of Tenant's portion of the sign shall be the responsibility of the Tenant. No tenant (including a transferee of such Tenant satisfying the generic definition of "Permitted Transferee" under the Lease) of the building that leases and occupies less space than Tenant (or a Permitted Transferee) leases and occupies will be entitled to a higher position on any monument sign, provided that Tenant shall pay any relocation costs of Tenant's signage on the monument.

Landlord shall have no obligation whatsoever to install monument signage and makes no representation, warranty or covenant that Landlord will install such signage, or that such signage would be permitted under applicable law. Landlord expressly reserves the right, in its sole and absolute discretion, to designate the location of any monument, and to the prior approval of Tenant's portion of the sign. All design and installation criteria shall be within Landlord's sole and absolute discretion. The signage right granted to Tenant hereunder shall be void and of no further force or

effect in the event of an assignment of the Lease or a sublease of more than forty-nine percent (49%) of the Premises to an entity that is not a Permitted Transferee.

17. Intentionally Omitted.

18. Intentionally Omitted.

19. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this Eleventh Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the corporation executing hereinafter is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Eleventh Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

20. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Eleventh Amendment other than Douglas, Emmett and Company and Studley, Inc. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Eleventh Amendment.


21. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Eleventh Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.

22. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, as contemplated under this Eleventh Amendment, until both Landlord and Tenant have executed and delivered this Eleventh Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Eleventh Amendment.


23. **Governing Law.** The provisions of this Eleventh Amendment shall be governed by the laws of the State of California.

24. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.


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IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company

By: Douglas Emmett Management, LLC, a Delaware limited liability company, its Agent

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: Michael J. Means
Michael J. Means, Senior Vice President

Dated: 2/4/09

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company

By: [Signature]
Name: JOE HATTEGGER
Title: CEO

Dated: FEB 3, 2009

By: [Signature]
Name: DAVID LIPMAN
Title: CEO

Dated: FEB 3, 2009

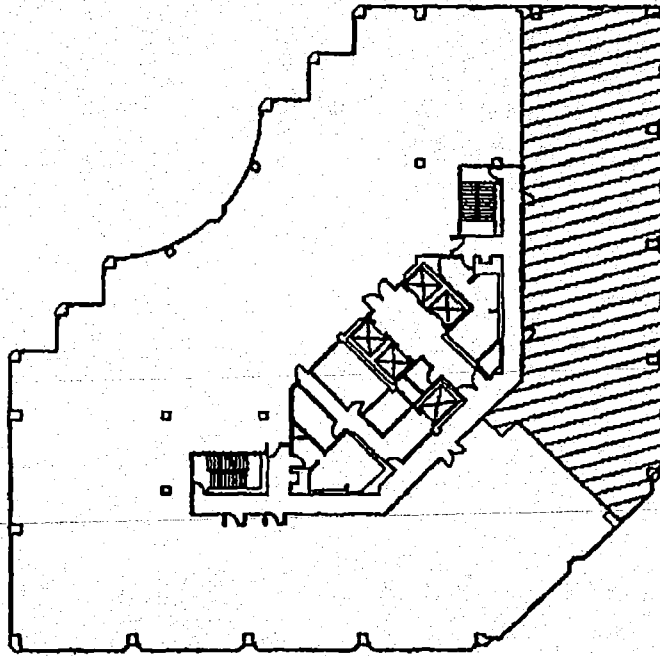
[Signature] DL _____
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**EXHIBIT A
EXPANSION SPACE PLAN**

Suite 1610 at 11766 Wilshire Boulevard, Los Angeles, California 90025

Rentable Area: approximately 5,643 square feet

Usable Area: approximately 4,771 square feet



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**EXHIBIT B
CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT**

Section 1. Tenant to Complete Construction. Tenant's general contractor ("Contractor") shall furnish and install within the Premises those items of general construction (the "Improvements"), shown on the final Plans and Specifications approved by Landlord. As used in this Exhibit B, the term "Premises" shall mean and refer to the Existing Premises and the Expansion Space, if the Expansion Space is leased pursuant to the terms of the Eleventh Amendment to which this Exhibit B is attached, if the Expansion Space is not leased by Tenant pursuant to the terms of the Eleventh Amendment, the term "Premises" shall refer solely to the Existing Premises. Tenant shall be entitled to competitively bid the general contractor's contract. If Tenant chooses to solicit such bids, then Douglas Emmett Builders shall be entitled to bid on the job. Qualifications for the Contractor are set forth in this Exhibit B. Landlord and Tenant shall jointly open and review the bids and Tenant shall select its Contractor, subject to the terms of this Exhibit B.

The definition of "Improvements" shall include all costs associated with completing the Tenant Improvements, including but not limited to, space planning, design, architectural, and engineering fees, contracting, labor and material costs, municipal fees, plan check and permit costs, and document development and/or reproduction. The Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; (iii) building material manufacturer's specifications and (iv) the Plans and Specifications.

All Tenant selections of finishes shall be indicated in the Plans and Specifications and shall be equal to or better than the minimum Building standards and specifications.

Any work not shown in the Plans and Specifications or included in the Improvements such as, but not limited to, telephone service, furnishings, or cabinetry, for which Tenant contracts separately shall be subject to Landlord's policies and shall be conducted in such a way as to not unreasonably hinder or delay the work of Improvements.

Tenant shall not be obligated to remove any building standard office improvements constructed pursuant to this Exhibit B and approved by Landlord.

Section 2. Tenant's Payment of Costs. Subject to Landlord's reimbursement as specified hereinbelow, Tenant shall bear all costs of the Improvements, and shall timely pay said costs directly to the Contractor. From time to time, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full for the work completed to-date.

In addition, Tenant shall reimburse Landlord for any and all of Landlord's reasonable third party out of pocket costs incurred in reviewing Tenant's Plans and Specifications or for any other "peer review" work associated with Landlord's review of Tenant's Plans and Specifications, including, without limitation, Landlord's reasonable third party out of pocket costs incurred in engaging any third party engineers, contractors, consultants or design specialists. Tenant shall pay such costs to Landlord within thirty (30) days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work. Prior to incurring any such costs, Landlord shall deliver notice to Tenant stating the reasons for such services and an estimate of the cost. Any contractors engaged by Landlord shall be cost competitive in the West Los Angeles market.

Tenant shall also pay the cost of any renovations or revisions which Landlord is required to make to any common area or portion of the Building, which such renovations, repairs or revisions arise out of or are required in connection with Tenant's completion of the Improvements contemplated herein.

The failure by Tenant to timely pay such amounts as required under this Paragraph 2 shall be a material default under the Lease.

Section 3. Lien Waiver and Releases. During the course of construction Contractor shall provide Landlord with executed lien-waiver and release forms as requested by Landlord (including any conditional or unconditional waiver and release forms in the form required under California Civil Code Sections 3262(d), 3262(d)(3) or Section 3262(d)(4)) and confirmation that no liens have been filed against the Premises or the Building. If any liens arise against the Premises or the Building as a result of Tenant's Improvements, Tenant shall immediately, at Tenant's sole expense, remove such liens and provide Landlord evidence that the title to the Building and Premises have been cleared of such liens.

Section 4. Allowance Items. The Allowance may be applied to the following items and costs with the limitations, where applicable, specified below (collectively, the "Allowance Items"):

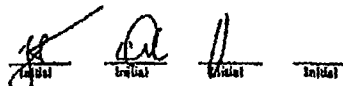
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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT

4.1 Payment of any space planning or architectural services fees, and payment of the fees incurred by, and the cost of documents and materials supplied by, Tenant and Tenant's consultants in connection with the preparation and review of the Plans and Specifications;

4.2 The payment of plan check permit and license fees relating to construction of the Improvements;

4.3 Not less than ninety percent (90%) of the Allowance shall be disbursed for "hard costs" of construction of the Improvements within the Premises;

4.4 The cost of any changes in the base building when such changes are required by the Plans and Specifications (including if such changes are due to the fact that such work is prepared on a unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

4.5 The cost of any changes to the Plans and Specifications or the Improvements required by all applicable building codes (the "Code");

4.6 Sales and use taxes and Title 24 fees; and

4.7 Built-in furniture, computer and telecommunications cabling, subject to the limitation that, out of the Allowance, no more than an amount equal to \$1.00 per square foot of Usable Area within Premises may be applied to data and communications cabling.

Section 5. Landlord's Reimbursement for Costs; Disbursement of the Allowance. Landlord shall pay to Tenant for the Improvements as defined in Paragraph 1 above, an allowance, not to exceed the sum of \$35.00 per square foot of Usable Area within Premises (the "Allowance") in accordance with the procedures set forth in Section 5.1 below. The Allowance shall be available for disbursement only during the period commencing on August 1, 2009 and ending on December 31, 2011, except that Tenant shall be entitled to reimbursement of an amount up to \$2.00 per square foot of Usable Area within Premises (out of the Allowance and not in addition to the amount of the Allowance) for architectural services, engineering and permit costs and Tenant may submit its request for reimbursement for such costs twice during the time period commencing on February 1, 2009 and September 30, 2009.

If the cost of completing the Improvements exceeds the Allowance, then upon written request from Tenant (which shall be delivered to Landlord on or before December 31, 2009) Landlord agrees to advance on behalf of Tenant up to a maximum amount equal to \$15.00 per square foot of Usable Area contained in the Premises which shall be referred to herein as "Excess Improvements," which total advance, with no interest thereon, shall be repaid by Tenant as "Amortization Rent". Amortization Rent shall mean the total cost of Excess Improvements amortized (with no interest) over the Extended Term, to be paid to Landlord by Tenant. Amortization Rent shall be paid in accordance with Section 6c. of the Eleventh Amendment to which this Exhibit B is attached.

5.1 Disbursement of the Allowance. For purposes of this Section 5.1, references to disbursement of the Allowance shall also refer to disbursement of the Excess Improvements (if Tenant requests such advance). During the construction of the Improvements, Landlord shall make no more than three (3) disbursements (and not more than once per calendar month) of the Allowance for the Allowance Items for the benefit of Tenant (excluding the two permitted disbursements for architectural services specified above) and shall authorize the release of monies for the benefit of Tenant as follows:

i) **Disbursements.** On or before the 25th day of the subject calendar month in which Tenant desires to request a disbursement during the construction of the Improvements, Tenant shall deliver to Landlord: (i) a request for payment approved by Tenant, in a customary form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Improvements, detailing the portion of the work completed and the portion not completed; (ii) invoices from Tenant's Agents (as defined below) for labor rendered prior to the date of the request and materials delivered to the Premises prior to the date of the request; (iii) executed conditional mechanic's lien releases from Tenant's general contractor and from all subcontractors and vendors, which shall comply with the appropriate provisions of California Civil Code Section 3262(d); and (iv) all other information reasonably requested by Landlord. Within thirty (30) days thereafter, Landlord shall deliver a check to Tenant made payable, at Landlord's option, either to Tenant or jointly to Contractor (or Tenant's design team professionals, as the case may be) and Tenant in payment of the lesser of: (A) the amount of the Allowance requested less a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "Final Retention" - it being agreed that if the contract for construction of the Improvements provides for a 10% retention, such retention by Landlord shall be applied in conjunction with such contract retention and not in addition to such retention), and (B) the balance of any remaining available portion of the Allowance, not including the Final Retention, provided that Landlord does not dispute any request for payment based on non-compliance of any work with the final approved Plans and Specifications, or due to any substandard work (i.e., work which does not comply with Codes or is not materially consistent with the

   
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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT

approved plans). Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

ii) **Final Retention.** Subject to the provisions of this Exhibit B, a check for the Final Retention payable either to Tenant or, if and to the extent Tenant has not paid its Contractor, jointly to Tenant and Contractor, shall be delivered by Landlord to Tenant following the completion of construction of the Improvements, provided that (i) Tenant delivers to Landlord properly executed mechanics lien releases Tenant's general contractor and from all subcontractors and vendors whose overall contracts exceed \$15,000, in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4), (ii) Landlord has determined that no substandard work exists, (iii) evidence of governmental approval of the completion of the Improvements; and (iv) Tenant delivers to Landlord a certificate from Tenant's architect, in a form reasonably acceptable to Landlord, certifying that the construction of the Premises has been completed.

All Improvements for which the Allowance has been made available shall be deemed Landlord's property under the terms of this Lease.

Section 6. Retention of Professionals; Pre-Construction Requirements and Approvals. Prior to Tenant or Contractor commencing any work:

- a) Tenant has retained Epstein ISI as its architect (the "Architect") and Landlord has approved such selection. If Tenant substitutes a different Architect, the same shall be subject to Landlord's approval, which approval shall not be unreasonably withheld. Tenant shall deliver to Landlord notice of its selection of any substitute Architect promptly after such selection is made. The plans and drawings to be prepared by Architect shall be known collectively as the "Plans and Specifications."
- b) Contractor, and its subcontractors and suppliers, shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Within a commercially reasonable time period prior to construction, Tenant shall deliver to Landlord notice of its selection of the Contractor. Contractor shall provide Landlord with a true, complete and correct copy of the construction contract between Contractor and Tenant. As a condition of such approval, so long as the same is cost competitive with contractors engaged for comparable work in buildings in the West Los Angeles area that are comparable in quality to the Building, Contractor shall use Landlord's fire-life safety subcontractor. All subcontractors, laborers, materialmen, and suppliers, and the Contractor, Architect and Engineers shall be known collectively as "Tenant's Agents". During completion of the Improvements, neither Tenant or Contractor shall knowingly permit any sub-contractors, workmen, laborers, material or equipment to come into or upon the Building if the use thereof, in Landlord's reasonable judgment, would violate Landlord's agreement with any union providing work, labor or services in or about the Building or disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. Upon request by Tenant, Landlord shall advise Tenant of any labor problems that are reasonably foreseeable in the event a particular contractor is engaged. If any violation, disturbance, interference or conflict occurs, Tenant, upon demand by Landlord, shall immediately cause all contractors or subcontractors or all materials causing the violation, disturbance, interference, difficulty or conflict, to leave or be removed from the Building or the Common Areas immediately. Tenant shall indemnify and hold Landlord harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including attorneys fees and costs incurred in the defense thereof) to which Landlord may be subject or suffer when the same arise out of or in connection with the use of, work in, construction to, or actions in, on, upon or about the Premises by Tenant or Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, including any actions relating to the installation, placement, removal or financing of the Improvements and any other improvements, fixtures and/or equipment in, on, upon or about the Premises.
- c) All Plans and Specifications shall be subject to Landlord's reasonable prior approval. Notwithstanding anything contained in this Exhibit B to the contrary, and without limiting Landlord's discretion to withhold its approval, it shall be deemed reasonable for Landlord to deny its consent to any aspect of the Plans and Specifications that i) adversely affect Building systems, the structure of the Building or the safety of the Building and/or its occupants, (ii) would violate any governmental laws, rules or ordinances; (iii) would require any changes to the base, shell and core of the Building, and/or (iv) are inconsistent with the design, construction or aesthetics of the Building. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Plans and Specifications as set forth in this Paragraph 6, shall be for its sole purpose and shall not imply Landlord's approval of the same, or obligate Landlord to review the same, for quality, design,

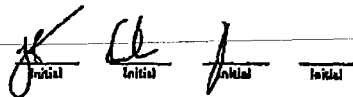

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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT

Code compliance or other like matters. Accordingly, notwithstanding that any Plans and Specifications are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Tenant agrees that Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Plans and Specifications.

Tenant or Architect shall supply Landlord with two (2) copies signed by Tenant of its final space plan ("Space Plan") for the Premises before any architectural working drawings or engineering drawings have been commenced. The Space Plan shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require.

Upon approval of the Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Plans and Specifications") and shall submit the same to Landlord for Landlord's approval. Tenant shall supply Landlord with two (2) copies certified by the Architect of such Plans and Specifications. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Plans and Specifications for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Plans and Specifications in accordance with such review and any disapproval of Landlord in connection therewith. The Plans and Specifications must be approved by Landlord prior to the commencement of construction of the Premises by Tenant. Concurrently with Tenant's submittal of the Plans and Specifications to Landlord for its approval, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits (provided that such submission shall be at Tenant's sole risk and shall not alter or modify Landlord's right to approve the Plans and Specifications in accordance with the terms hereof). Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy (or their substantial equivalent) for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy at no cost to Landlord. No changes, modifications or alterations in the Plans and Specifications may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld and shall be granted or denied within five (5) business days following submission by Tenant.

- d) Prior to the commencement of the construction of the Improvements, and after Tenant has accepted all bids for the Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the construction contract with Contractor. Such breakdown shall include Contractor's overhead, profit, and fees. No administration or supervisory fee shall be charged to Tenant by Landlord.
- e) Contractor shall submit to Landlord verification of public liability and workmen's compensation insurance as required by Landlord's Building manager.
- f) Landlord and Tenant agree that if the Improvements are actually constructed by Tenant's Contractor at a cost which is less than the Allowance, there shall be no monetary adjustment between Landlord and Tenant or offset against Rent or other sums owed by Tenant to Landlord under this Lease and the entire cost savings shall be retained by Landlord and relinquished by Tenant.

Section 7. Landlord's Administration of Construction. Tenant's Contractor and its subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision. Landlord shall provide the Contractor and its subcontractors reasonable access to the Premises so as to timely complete the Improvements; reasonable use of the freight elevators and loading docks without charge during Normal Business Hours (as defined in the Lease) for the movement of Contractor's and its subcontractor's materials and laborers. In addition there will be no charge to Tenant or its Contractor for parking, and for the reasonable use of staging areas, utilities or temporary use of HVAC or any other reasonable Building facilities or services during Normal Building Hours reasonably necessary during the design and construction of the Improvements.




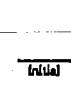
   
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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT

Tenant's subcontractors shall submit schedules of all work relating to the Improvements to Contractor and Contractor shall, within a reasonable time period after receipt thereof, inform Tenant's subcontractors of any changes which are necessary thereto, and Tenant's subcontractors shall adhere to such corrected schedule. Tenant shall abide by all rules made by Landlord's Building manager with respect to the storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Exhibit B. In the event Landlord reasonably determines that additional third party security services are reasonably required as a result of the construction of the Improvements, Tenant shall pay such out of pocket costs to Landlord within thirty (30) days after Landlord bills Tenant therefor. Landlord shall provide Tenant advance reasonable notice prior to Landlord engaging such third-party security services.

From time to time during the construction of the Improvements Tenant shall, upon request from Landlord, provide reasonable progress reports to Landlord regarding the progress of the preparation of plans and specifications and the construction of the Improvements. In addition, Landlord shall have the right to inquire of Tenant from time to time regarding meetings to be held between Tenant, the Architect and the Contractor, and shall have the right to attend any such meetings. Further, Landlord shall have the right to require Tenant, Architect and the Contractor to meet with Landlord to discuss the progress of the preparation of plans and specifications and the construction of the Improvements, as deemed reasonably necessary by Landlord.

Section 8. Fixed Date for Renewal and Expansion Dates. Tenant acknowledges and agrees that whether or not Tenant has completed construction of the Improvements, the Renewal Date shall be as defined in Section 2 of the Eleventh Amendment to which this Exhibit B is attached and the Expansion Date shall be as defined in Section 3 of the Eleventh Amendment to which this Exhibit B is attached.

Section 9. Compliance with Construction Policies. During construction of the Improvements, Tenant's Contractor shall adhere to the Construction Policies specified hereinbelow, which represent Landlord's minimum requirements for completion of the Improvements.

CONSTRUCTION POLICIES

The following policies outlined are the construction procedures for the Building. Landlord shall be responsible for enforcing all construction policies for its fire-life safety subcontractor. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained hereinbelow:

Section 10. Administration.

- a) Contractors to notify Building Office prior to starting any work. No exceptions. All jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.
- b) The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.
- c) Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.
- d) As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.
- e) The HVAC contractor is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:
 - i) A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet should also include the location of any fire dampers.
 - ii) An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Engineer at the finish of the HVAC installation.
- f) All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.
- g) The general contractor must provide for the removal of all trash and debris arising during the course of construction. At no time are the building's trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.
- h) Contractors will include in their proposals all costs to include: parking, elevator service, additional security (if required), restoration of carpets, etc. Parking will be validated only if contractor is working directly for the Building Office.
- i) Any problems with construction per the plan, will be brought to the attention of and documented to the Building Manager. Any changes that need additional work not described in the bid will be

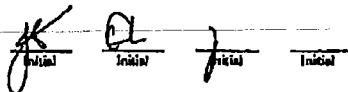

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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT

approved in writing by the Building Manager. All contractors doing work on this project should first verify the scope of work (as stated on the plans) before submitting bids; not after the job has started.

Section 11. Building Facilities Coordination.



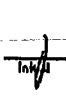
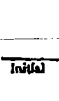
- a) All deliveries of material will be made through the parking lot entrance.
- b) Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.
- c) Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.

Section 12. Housekeeping.

- a) Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.
- b) All construction done on the property that requires the use of lobbies or common area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:
 - i) Mylar - Extra heavy-duty to be taped from the freight elevator to the suite under construction.
 - ii) Masonite - 1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.
- c) Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.
- d) Food and related lunch debris are not to be left in the suite under construction.
- e) All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All common areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.

Section 13. Construction Requirements.

- a) All Life and Safety and applicable Building Codes will be strictly enforced (i.e., tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.
- b) Electric panel schedules must be brought up to date identifying all new circuits added.
- c) All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.
- d) All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.
- e) All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.
- f) Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.
- g) All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.
- b) All core drilling is not to be done during normal working hours (7:30 AM - 6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.
- i) All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:
 - i) A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.
 - ii) A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.
 - iii) The Building Engineer will inspect the construction on a periodic basis as well.

**EXHIBIT B (continued)
CONSTRUCTION AGREEMENT**

j) All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor during the course of construction shall be deducted from Tenant's Allowance or Tenant's Security Deposit, as appropriate.

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
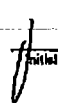
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EXHIBIT B (continued)
CONSTRUCTION AGREEMENT

LANDLORD:

DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company

By: Douglas Emmett Management, LLC, a Delaware limited liability company, its Agent

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: Michael J. Means
Michael J. Means, Senior Vice President

Dated: 2/4/09

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company

By: Joe Vatten
Name: JOE VATTEN
Title: CEO

Dated: FEB 3, 2009

By: David Lippman
Name: David Lippman
Title: CEO

Dated: FEB 3, 2009

JK DL _____
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EXHIBIT C

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Morrison & Foerster LLP
555 West Fifth Street, Suite 3500
Los Angeles, CA 90013
Attention: Thomas R. Fileti, Esq.

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT
(Lease)

THIS AGREEMENT made January 30, 2009 between EUROHYPO AG, New York Branch, as Administrative Agent on behalf of a syndicate of lenders (collectively, the "Lenders"), having an office at 1114 Avenue of the Americas, New York, New York 10036 (the "Mortgagee"), and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company, having an office at 11766 Wilshire Boulevard, Suite 1500, Los Angeles, California 90025 (the "Tenant");

WITNESSETH:

WHEREAS the Mortgagee (on behalf of the Lenders) is the present owner and holder of a certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated August 25, 2005, recorded on August 26, 2005 as Instrument No. 05-2058835 in the Official Records of Los Angeles County, California, which deed of trust was modified by a certain Agreement Supplementing Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated October 30, 2006 and recorded on October 31, 2006 as Instrument No. 06-2412631 in the Official Records of Los Angeles County, California (collectively, the "Mortgage") encumbering the premises located in the County of Los Angeles, State of California, with an address of 11766 Wilshire Boulevard, Los Angeles, California 90025 and commonly known as Landmark II (the "Premises") which Premises are more fully described in the attached Exhibit A;

WHEREAS the Tenant is the holder of a leasehold estate in a portion of the Premises under and pursuant to the provisions of a certain lease (the "Lease") dated June 24, 1998, as amended by that First Amendment to Office Lease dated March 2, 1999, as amended by that certain Second Amendment to Office Lease dated September 27, 1999, as amended by that certain Third Amendment to Office Lease dated February 25, 2000, as amended by that certain Fourth Amendment to Office Lease dated March 16, 2001, as amended by that certain Fifth Amendment to Office Lease dated June 12, 2001, as amended by that certain Sixth Amendment to Office Lease dated February 22, 2002, as amended by that certain Seventh Amendment to Office Lease dated October 7, 2003, as amended by that certain Eighth Amendment to Office Lease dated December 23, 2003, as amended by that certain Ninth Amendment to Office Lease dated March 3, 2005, as amended by that certain Tenth Amendment to Office Lease dated May 12, 2005, and as amended by that certain Eleventh Amendment to Office Lease dated January 30, 2009, by and between Tenant and DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company (the "Landlord"); and

WHEREAS the Tenant has agreed to subordinate the Lease to the Mortgage and to the lien thereof and the Mortgagee has agreed to grant non-disturbance to the Tenant under the Lease on the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of good and valuable consideration, the receipt of which is hereby acknowledged, the Mortgagee and the Tenant hereby covenant and agree as follows:

1. The Tenant agrees that the Lease and all of the terms, covenants and provisions thereof and all rights, remedies and options of the Tenant thereunder are and shall at all times

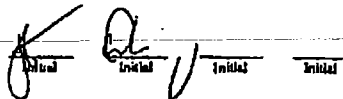

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EXHIBIT C (continued)
SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT

continue to be subject and subordinate in all respects to the Mortgage and all of the terms, covenants and provisions thereof and to the lien thereof and to any and all increases, renewals, modifications, spreaders, consolidations, replacements and extensions thereof, and to any and all sums secured thereby, with the same force and effect as if the Mortgage had been executed, delivered and recorded prior to the execution and delivery of the Lease.

2. The Mortgagee agrees that if any action or proceeding is commenced by the Mortgagee to foreclose the Mortgage or to sell the Premises, the Tenant shall not be named as a party in any such action nor shall the Tenant be named a party in connection with any sale of the Premises, provided that at the time of the commencement of any such action or proceeding or at the time of any such sale: (i) the term of the Lease shall have commenced pursuant to the provisions thereof, (ii) the Lease shall be in full force and effect, and (iii) the Tenant shall not be in default under any of the terms, covenants or conditions of the Lease or of this Agreement on the part of the Tenant to be observed or performed thereunder or hereunder after the expiration of any applicable notice or cure period, unless applicable law requires the Tenant to be made a party thereto as a condition to proceeding against the Landlord or protecting such rights and remedies. In the latter case, the Mortgagee may join the Tenant as a defendant in such action only for such purposes and not to terminate the Lease.





3. The Tenant agrees that if the Mortgagee or any successors in interest to the Mortgagee shall become the owner of the Premises by reason of the foreclosure of the Mortgage or the acceptance of a deed or assignment in lieu of foreclosure or otherwise, the Lease shall not be terminated or affected thereby but shall continue in full force and effect as a direct lease between the Mortgagee and the Tenant upon all of the terms, covenants and conditions set forth in the Lease and in that event the Tenant agrees to attorn to the Mortgagee and the Mortgagee agrees to accept such attornment, provided, however, that the Mortgagee shall not be (i) liable for any accrued obligation of the Landlord, or for any act or omission of the Landlord, (ii) subject to any offsets, claims or counterclaims which shall have accrued to the Tenant against the Landlord prior to the date on which the Mortgagee or its successor in interest shall become the owner of the Premises or (iii) liable for any security deposit or other monies not actually received by the Mortgagee.

Without the prior written consent of Mortgagee, Mortgagee shall not be bound by (i) any agreement amending, or modifying; or terminating the Lease or (ii) by any prepayment of the rents, additional rents or other sums due under the Lease for more than one (1) month in advance of the due date thereof.

4. The Tenant hereby represents and warrants to the Mortgagee that as of the date hereof (i) the Tenant is the owner and holder of the tenant's interest under the Lease, (ii) the Lease has not been modified or amended, (iii) the Lease is in full force and effect and the term thereof commenced on January 17, 1999, pursuant to the provisions thereof, (iv) neither the Tenant nor the Landlord is in default under any of the terms, covenants or provisions of the Lease and the Tenant to the best of its knowledge knows of no event which but for the passage of time or the giving of notice or both would constitute an event of default by the Tenant or the Landlord under the Lease, (v) neither the Tenant nor the Landlord has commenced any action or given or received any notice for the purpose of terminating the Lease, (vi) all rents, additional rents and other sums due and payable under the Lease have been paid in full and no rents, additional rents or other sums payable under the Lease have been paid for more than one (1) month in advance of the due dates thereof, (vii) there are no offsets or defenses to the payment of the rents, additional rents, or other sums payable under the Lease and (viii) Tenant has received no notice of a prior assignment, hypothecation or pledge of the Lease or the rents, income, deposits or profits arising thereunder, other than in connection with the Mortgage.

5. Notwithstanding anything to the contrary in the Lease, Tenant shall not commence any action against Landlord or otherwise pursue any right or remedy against Landlord in consequence of a default by Landlord under the terms and provisions of the Lease unless written notice by Tenant specifying such default is delivered to Mortgagee at its address set forth below. Tenant further agrees that Mortgagee shall have the right, but shall not be obligated, to cure such default on behalf of Landlord within thirty (30) days after receipt of such notice, or if such default cannot reasonably be cured in such 30-day period, Mortgagee shall have the right to commence the cure of such default in such 30-day period and thereafter diligently pursue such cure until completed. Tenant further agrees not to invoke any of its remedies either express or implied, under the Lease (except in the case of emergency repairs) unless such default shall remain uncured at the expiration of the 30-day period after receipt of such notice of default, or if such default cannot reasonably be cured in such 30-day period, unless the cure of such default shall not be commenced within such 30-day period and thereafter prosecuted diligently to completion.

6. Anything herein or in the Lease to the contrary notwithstanding, in the event that the Mortgagee shall acquire title to the Premises, or shall otherwise become liable for any obligations of the Landlord under the Lease, the Mortgagee shall have no obligation, nor incur any liability, beyond the Mortgagee's then interest, if any, in the Premises and the Tenant shall look exclusively to such interest of the Mortgagee, if any, in the Premises for the payment and discharge of any obligations imposed upon the Mortgagee hereunder or under the Lease and the Mortgagee is hereby released or relieved of any other liability hereunder and under the Lease. The Tenant agrees that with respect to any money judgment which may be obtained or secured

   
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by the Tenant against the Mortgagee, the Tenant shall look solely to the estate or interest owned by the Mortgagee in the Premises and the Tenant will not collect or attempt to collect any such judgment out of any other assets of the Mortgagee.

7. Tenant shall neither suffer nor itself manufacture, store, handle, transport, dispose of, spill, leak or dump any toxic or hazardous waste, waste products or substance (as they may be defined in any federal or state statute, rule or regulation pertaining to or governing such wastes, waste products or substances) on the Premises at any time during the term, or extended term, of the Lease, except as are used in the ordinary course of Tenant's business as conducted on the Premises and in full compliance with environmental laws.

8. In connection with the assignment to Mortgagee pursuant to the Mortgage and/or the loan documents referred to therein of Landlord's interest in the Lease, Tenant agrees that after receipt of written notice from Mortgagee that Mortgagee is exercising its right under such assignment to have all rents and other sums due under the Lease paid directly to Mortgagee, Tenant shall pay to Mortgagee all rent and other sums due to Landlord under the Lease. By its signature below, the Landlord under the Lease hereby authorizes and directs Tenant to so pay such rents and other sums due under the Lease directly to Mortgagee and agrees that the Tenant shall be fully protected in doing so.

9. Any notice, request, demand, statement, authorization, approval or consent made hereunder shall be in writing and shall be sent by Federal Express, or other reputable courier service, or by postage pre-paid registered or certified mail, return receipt requested, and shall be deemed given when received or refused (as indicated on the receipt) and addressed as follows:

If to the Mortgagee:

Eurohypo AG, New York Branch,
as Administrative Agent
1114 Avenue of the Americas, 29th Floor
New York, New York 10036
Attention: Legal Director
Facsimile: (866) 267-7680

With a copy to:

Morrison & Foerster LLP
555 West Fifth Street, Suite 3500
Los Angeles, California 90013

Attention: Thomas R. Fileti, Esq.
Facsimile: (213) 892-5454

If to the Tenant:

Metropolitan West Asset Management, LLC
11766 Wilshire Boulevard, Suite 1500
Los Angeles, California 90025

it being understood and agreed that each party will use reasonable efforts to send copies of any notices to the addresses marked "With a copy to" hereinabove set forth; provided, however, that failure to deliver such copy or copies shall have no consequence whatsoever to the effectiveness of any notice made to the Tenant or the Mortgagee. Each party may designate a change of address by notice given, as hereinabove provided, to the other party, at least fifteen (15) days prior to the date such change of address is to become effective.

EXHIBIT C (continued)
SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

10. This Agreement shall be binding upon and inure to the benefit of the Mortgagee and the Tenant and their respective successors and assigns.

11. The term "Mortgagee" as used herein shall include the successors and assigns of the Mortgagee and any person, party or entity which shall become the owner of the Premises by reason of a foreclosure of the Mortgage or the acceptance of a deed or assignment in lieu of foreclosure or otherwise. The term "Landlord" as used herein shall mean and include the present landlord under the Lease and such landlord's predecessors and successors in interest under the Lease. The term "Premises" as used herein shall mean the Premises, the improvements now or hereafter located thereon and the estates therein encumbered by the Mortgage.

12. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.

13. This Agreement shall be governed by and construed under the laws of the State in which the Premises are located.

IN WITNESS WHEREOF, the Mortgagee and the Tenant have duly executed this Agreement as of the date first above written.

Mortgagee:

**EUROHYPO AG,
New York Branch,
as Administrative Agent**

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Tenant:

**METROPOLITAN WEST ASSET
MANAGEMENT, LLC, a California limited
liability company**

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____


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Agreed to:

Landlord:

DOUGLAS EMMETT 1995, LLC
a Delaware limited liability company

By: Douglas Emmett Management, LLC,
a Delaware limited liability company,
Its Agent

By: Douglas Emmett Management, Inc.,
a Delaware corporation,
Its Manager

By: _____
Michael J. Means
Senior Vice President




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EXHIBIT C (continued)
SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN T AGREEMENT

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
 COUNTY OF _____)

On _____, before me, _____
Here Insert Name and Title of the Officer (e.g., "Jane Doe, 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.

 Signature of Notary Public (Seal)

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
 COUNTY OF _____)

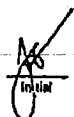


On _____, before me, _____
Here Insert Name and Title of the Officer (e.g., "Jane Doe, Notary Public")

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.

 Signature of Notary Public (Seal)

   _____
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ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Here insert Name and Title of the Officer (e.g., "Jane Doe, 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.

Signature of Notary Public (Seal)

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
Here insert Name and Title of the Officer (e.g., "Jane Doe, 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.

Signature of Notary Public (Seal)

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**EXHIBIT A
DESCRIPTION OF THE PREMISES:**

**LOT 1 OF TRACT NO. 14508, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 533 PAGE 18 OF MAPS, IN THE
OFFICE OF THE COUNTY RECORDER OF SAID COUNTY**

   
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TWELFTH AMENDMENT TO OFFICE BUILDING LEASE

This Twelfth Amendment to Office Building Lease (the "Twelfth Amendment"), dated September 24, 2010, is made by and between DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1500, Los Angeles, California 90025.

WHEREAS,

A. Douglas Emmett Realty Fund 1995, a California limited partnership ("DERF 1995"), pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Original Lease"), leased to Tenant, and Tenant leased from DERF 1995, space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises");

B. DERF 1995 and Tenant subsequently entered into that certain First Amendment to Office Lease, dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Second Amendment"), pursuant to which Tenant leased that portion of the fifteenth (15th) floor of the Building then commonly known as Suite 1560 (which, together with the Original Premises, became collectively and commonly known as, and shall be hereinafter referred to as, "Suite 1500"), that certain Third Amendment to Office Lease, dated February 25, 2000 (the "Third Amendment"), pursuant to which Tenant leased additional space on the fifteenth (15th) floor adjacent to (and which became a part of) the Original Premises, that certain Fourth Amendment dated March 16, 2001 (the "Fourth Amendment"), pursuant to which Tenant leased that portion of the sixteenth (16th) floor of the Building commonly known as Suite 1660, that certain Sixth Amendment to Office Lease, dated February 22, 2002 (the "Sixth Amendment"), pursuant to which Tenant leased that portion of the sixteenth (16th) floor of the Building commonly known as Suite 1650, that certain Seventh Amendment to Office Lease, dated October 7, 2003 (the "Seventh Amendment"), pursuant to which Tenant leased that portion of the fifteenth (15th) floor of the Building commonly known as Suite 1550, and that certain Eighth Amendment to Office Lease, dated December 23, 2003 (the "Eighth Amendment"), pursuant to which Tenant extended the lease term with respect only to Suites 1500 and 1550 and returned possession of Suites 1660 and 1650 to Landlord;

C. Landlord subsequently succeeded to the interest of DERF 1995 under the Original Lease, as amended;

D. Landlord and Tenant subsequently entered into that certain Ninth Amendment to Office Lease dated February 23, 2005 (the "Ninth Amendment"), pursuant to which Tenant leased that portion of the fifteenth (15th) floor of the Building then commonly known as Suite 1520 (which became a part of Suite 1500), that certain Tenth Amendment to Office Lease dated May 12, 2005 (the "Tenth Amendment"), that certain Eleventh Amendment to Office Lease dated January 30, 2009 (the "Eleventh Amendment"), pursuant to which Tenant leased that portion of the sixteenth (16th) floor of the Building commonly known as Suite 1610, and that certain Memorandum of Lease Term Dates and Rent dated October 20, 2009 (the "Memorandum");

E. Suite 1500 and Suite 1610 shall be hereinafter referred to as the "Existing Premises";

F. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment, the Ninth Amendment, the Tenth Amendment, the Eleventh Amendment and the Memorandum shall be hereinafter collectively referred to as the "Lease";

G. Tenant and JRK Property Holdings, Inc. ("JRK") entered into that certain sublease dated March 16, 2010 (the "Sublease"), pursuant to which Tenant subleased the entirety of the Existing Premises to JRK;

H. Tenant wishes to expand its occupancy within the Building to include that portion of the sixteenth (16th) floor of the Building adjacent to Suite 1610 shown on Exhibit A [to be] attached hereto and made a part hereof (which presently constitutes a portion of Suite 1600, contains approximately 100 square feet of Rentable Area, shall become a part of Suite 1610 and be hereinafter referred to as the "Expansion Space");

I. Tenant has requested Landlord's consent to the installation of an interior stairwell connecting Suite 1500 and Suite 1610 (as evidenced by that certain letter dated August 3, 2010 attached hereto as Exhibit B), which consent Landlord shall grant, subject to Tenant's compliance with the express terms and conditions of this Twelfth Amendment; and

J. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Twelfth Amendment.

2. **Expansion Date.** The term of the lease of the Expansion Space shall commence on the date (the "Expansion Date") that is the earlier of (i) October 1, 2010, or (ii) the date Tenant commences construction of the Stairwell Work (as defined in Section 9 of this Twelfth Amendment), and shall continue through and including the Termination Date ("Expansion Term"). The anticipated Expansion Date is October 1, 2010. Landlord shall deliver possession of the Expansion Space to Tenant on the first business day following the full execution of this Twelfth Amendment so that Tenant may commence construction of the Stairwell Work. As soon as the Expansion Date is determined, Landlord and Tenant shall promptly execute an amendment to the Lease confirming the finalized Expansion Date and Expansion Term.

3. **Expansion of Premises.** As of the Expansion Date, the definition of the Premises shall be revised to include both the Premises and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Space together, as if the same had been originally included in the Lease.

Subject to the express provisions of this Section 3, as of the Expansion Date, the Usable Area of the Premises shall increase from 24,603 square feet to 24,703 square feet and the Rentable Area of the Premises shall increase from 29,146 square feet to 29,264 square feet.

Since the Expansion Space is not yet fully demised, once the exact location of the demising walls is established, a recalculation of the Usable Area of the Expansion Space shall be made by Stevenson Systems, Inc., an independent planning firm, using the June, 1996 standards set forth by the Building Owners and Managers Association as a guideline (the "Expansion Space Recalculation"), it being expressly understood and agreed that, within five (5) business days following Tenant's receipt of Landlord's billing, Tenant shall pay for (i) the costs of the Expansion Space Recalculation, and (ii) the costs of a recalculation of the Usable Area of Suite 1600 (the "Suite 1600 Recalculation").

Landlord and Tenant further agree that the Rentable Area of the Expansion Space shall be calculated on the basis of 1.1828 times the estimated Usable Area, regardless of what actual common areas of the Building may be, or whether they may be more or less than 18.28% of the total estimated Usable Area of the Building, and is provided solely to give a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant further agree that once the Rentable Area and Usable Area of the Expansion Space have been determined as specified hereinabove, even if later either party alleges that the actual Rentable Area or Usable Area of the Expansion Space is more or less than the figures stated herein; and whether or not such figures are inaccurate, for all purposes of the Lease, the Rentable and Usable figures agreed upon shall be conclusively deemed to be the Rentable Area or Usable Area of the Expansion Space, as the case may be.

If the Rentable Area or Usable Area of the Expansion Space is increased or decreased pursuant to this Section 3, then (i) the initial Fixed Monthly Rent payable by Tenant for the Expansion Space shall be recalculated based on \$3.25 per square foot of Rentable Area, per month, (ii) the increases in Fixed Monthly Rent shall be appropriately adjusted to result in an increase in said Fixed Monthly Rent of three percent (3%) per annum, cumulative over the Expansion Term, commencing on the first calendar day of the thirteenth (13th) calendar month following the Expansion Date (the "Initial Expansion Space Fixed Monthly Rent Increase Date"), and continuing on each anniversary of the Initial Expansion Space Fixed Monthly Rent Increase Date occurring during the Expansion Term, (iii) "Tenant's Share" for the Expansion Space as set forth in Section 4 below shall be increased or decreased equally, by dividing the newly calculated Usable Area of the Expansion Space by the Usable Area of the Building, (iv) the Security Deposit shall be adjusted to equal the amount of Fixed Monthly Rent payable by Tenant for the aggregate of the Existing Premises and the Expansion Space for the month of July 2017, and (v) Landlord and Tenant shall execute an amendment to the Lease confirming the foregoing.

4. **Revision in Monthly Fixed Rent - Expansion Space.** Subject to adjustment pursuant to Section 3 of this Second Amendment:

Commencing on the Expansion Date, and continuing through September 30, 2011, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall be \$383.50 per month;

Commencing on October 1, 2011, and continuing through September 30, 2012, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$383.50 per month to \$395.01 per month;

Commencing on October 1, 2012, and continuing through September 30, 2013, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$395.01 per month to \$406.86 per month;

Commencing on October 1, 2013, and continuing through September 30, 2014, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$406.86 per month to \$419.06 per month;

Commencing on October 1, 2014, and continuing through September 30, 2015, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$419.06 per month to \$431.63 per month;

Commencing on October 1, 2015, and continuing through September 30, 2016, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$431.63 per month to \$444.58 per month; and

NSD

Commencing on October 1, 2016, and continuing throughout the remainder of the Expansion Term, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$444.58 per month to \$457.92 per month.

5. **Tenant's Share.** As of the Expansion Date, Tenant's Share, solely with respect to the Expansion Space, shall be .03%, subject to adjustment pursuant to Section 3 of this Twelfth Amendment.

6. **Base Year.** As of the Expansion Date, the Base Year for the Expansion Space shall be calendar year 2010.

7. **Security Deposit.** Landlord acknowledges that it currently holds the sum of \$122,861.74 a Security Deposit under the Lease. Concurrent with Tenant's execution and delivery to Landlord of this Twelfth Amendment, Tenant shall tender the sum of \$457.92, which amount Landlord shall add to the Security Deposit already held by Landlord, so that thereafter, throughout the Second Extended Term, provided the same is not otherwise applied, Landlord shall hold a total of \$123,319.66 as a Security Deposit on behalf of Tenant, as such amount may be adjusted pursuant to Section 4 of this Twelfth Amendment. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Article 20 of the Original Lease, and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of the Lease or the acts or omission of Tenant or any Tenant Party. As used in the Lease a "Tenant Party" shall mean Tenant, any employee of Tenant, or any agent, authorized representative, design consultant or construction manager engaged by or under the control of Tenant.

8. **Acceptance of Premises.** Tenant acknowledges that to the best of Tenant's knowledge as of the date hereof, it has no claim against Landlord in connection with the Existing Premises or the Lease. Tenant has made its own inspection of and inquiries regarding the Expansion Space. Therefore, Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Existing Premises, the Expansion Space, or the Building for the purposes intended by Tenant.

9. **Stairwell Installation.** Tenant shall have the right to install, at JRK's sole cost and expense, an interior stairwell connecting Suite 1500 and Suite 1610 (the "Stairwell") upon the following terms and conditions:

Prior to commencing construction of the Stairwell (the "Stairwell Work"):

- (i) Tenant shall submit to Landlord, for Landlord's prior written approval, a complete set of structural engineering plans approved by Tenant and prepared by a licensed and qualified structural engineer approved by Landlord (the "Stairwell Plans");
- (ii) Tenant shall reimburse Landlord, within five (5) business days following Tenant's receipt of Landlord's billing, for costs incurred by Landlord to have a third-party structural engineer review the Stairwell Plans;
- (iii) Tenant shall deliver to Landlord a written estimate of the total cost of the Stairwell Work, inclusive of hard and soft costs (the "Stairwell Work Estimate");
- (iv) Tenant shall pay to Landlord, within five (5) business days following Tenant's receipt of Landlord's billing, the costs incurred by Landlord to obtain an estimate (the "Restoration Work Estimate") of the cost to remove the Stairwell and restore all of the affected portions of the Building to the condition existing prior to the commencement of the Stairwell Work (the "Restoration Work"); and
- (v) Tenant shall pay to Landlord a refundable deposit equal to two hundred percent (200%) of the Restoration Work Estimate (the "Restoration Work Deposit"), which shall be returned to Tenant within thirty (30) days following the completion of the Restoration Work.

The Stairwell Work shall be deemed a Tenant Change (as defined in Section 9.2 of the Original Lease) and shall be performed by a licensed general contractor approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) in strict accordance with the provisions of Section 9.2 of the Original Lease and Exhibit B-1 attached to and made a part of the Original Lease, it being expressly understood and agreed that Tenant shall, at Tenant's sole cost and expense, remove the balance of the perimeter walls located within the Expansion Space in connection with the Stairwell Work. In addition, prior to the expiration or earlier termination of the Lease, Tenant shall, at Tenant's sole cost and expense, cause the Restoration Work to be performed by a licensed general contractor approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), it being expressly understood and agreed that the Restoration Work shall also be deemed a Tenant Change and be performed in strict accordance with the provisions of said Section 9.2 and Exhibit B-1.

10. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this Twelfth Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the corporation executing hereinbelow is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant

have full right and authority to enter into this Twelfth Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

11. **Broker Representation.** Landlord and Tenant represent and warrant to each other that no brokerage fees or commissions are due any brokers in connection with this Twelfth Amendment. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Twelfth Amendment.

12. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Twelfth Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Existing Premises or the Expansion Space, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.

13. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Expansion Space, as contemplated under this Twelfth Amendment, until both Landlord and Tenant have executed and delivered this Twelfth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Twelfth Amendment.

14. **Governing Law.** The provisions of this Twelfth Amendment shall be governed by the laws of the State of California.

15. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the matters set forth herein, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company

By: Douglas Emmett Management, LLC, a Delaware limited liability company, its Agent

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: Michael J. Means, Senior Vice President

Dated: _____

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company, by THE TCW GROUP, INC., as its sole Member

By: Michael E. Cahill
Name: MICHAEL E. CAHILL
Title: EXECUTIVE VICE PRESIDENT GENERAL COUNSEL

Dated: 9/22/10

By: David S. Devito
Name: DAVID S. DEVITO
Title: Executive Vice President and Chief Administrative Officer

Dated: 9/27/10

**EXHIBIT A
EXPANSION SPACE PLAN**

**A portion of Suite 1600 at 11766 Wilshire Boulevard, Los Angeles, California 90025
Rentable Area: approximately 118 square feet
Usable Area: approximately 100 square feet
(To be re-measured in accordance with the provisions of Section 3 of the Twelfth
Amendment)**

[TO BE ATTACHED]



[The page contains several horizontal lines, likely for writing or scanning artifacts, but no legible text is present.]

EXHIBIT B

THE TCW GROUP, INC.

885 SOUTH FIGUEROA STREET, LOS ANGELES, CALIFORNIA 90017
TEL: 213 246 0545 FAX: 213 246 0489 E-MAIL: david.devito@tcw.com

DAVID S. DEVITO
EXECUTIVE VICE PRESIDENT
LEAD ASIA INVESTMENT OFFICER



August 3, 2010

Ms. Helene Altman
Douglas Emmett

Dear Helene:

On behalf of Metwest, we are requesting approval for our Subtenant, JRK Property Holdings, Inc., to install a stairwell between our leased premises located on the 15th and 16th floors in the Landmark Building located at 11766 Wilshire Blvd., Los Angeles, California.

Please feel free to contact me with any questions.

Best Regards,

A handwritten signature in black ink, appearing to read "Jim Lippman".

cc: Jim Lippman, JRK Property Holdings

FIRST AMENDMENT TO SUBLEASE AGREEMENT

THIS FIRST AMENDMENT TO SUBLEASE AGREEMENT (this "First Amendment"), is made as of September 24, 2010, by and between METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Sublandlord"), and JRK PROPERTY HOLDINGS, INC., a California corporation ("Subtenant").

WHEREAS,

A. Sublandlord and DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company, as landlord ("Landlord") entered into a certain Office Lease dated June 24, 1998 (the "Original Lease"), as amended by that certain First Amendment to Office Lease dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease dated September 27, 1999 (the "Second Amendment"), that certain Third Amendment to Office Lease dated February 25, 2000 (the "Third Amendment"), that certain Fourth Amendment to Office Lease dated March 16, 2001 (the "Fourth Amendment"), that certain Sixth Amendment to Office Lease dated February 22, 2002 (the "Sixth Amendment"), that certain Seventh Amendment to Office Lease dated October 7, 2003 (the "Seventh Amendment"), that certain Eighth Amendment to Office Lease dated December 23, 2003 (the "Eighth Amendment"), that certain Ninth Amendment to Office Lease dated February 23, 2005 (the "Ninth Amendment"), that certain Tenth Amendment to Office Lease dated May 12, 2005 (the "Tenth Amendment"), that certain Eleventh Amendment to Office Building Lease dated January 30, 2009 (the "Eleventh Amendment"), and that certain Memorandum of Lease Term Dates and Rent dated October 20, 2009 (the "Memorandum"), between Landlord and Tenant, for space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suites 1500, 1520, 1550, 1560, 1580 and 1610 (the "Premises");

B. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment, the Ninth Amendment, the Tenth Amendment, the Eleventh Amendment and the Memorandum are collectively referred to herein as the "Lease";

C. On or about March 16, 2010 Sublandlord and Subtenant entered into the Sublease Agreement. Pursuant to the terms of Article 16 of the Sublease Agreement, Subtenant has the right to install an interconnecting staircase between the fifteenth (15th) and sixteen (16th) floors of the Building within the Sublease Premises ("Staircase").

NOW, THEREFORE, in consideration of the covenants and provisions herein, and other good and valuable consideration, the sufficiency of which Sublandlord and Subtenant hereby acknowledge, Sublandlord and Subtenant agree:

1. Landlord and Sublandlord have entered into the Twelfth Amendment to the Lease ("Twelfth Amendment"), which, among other things, provides for consent to construct the Staircase, the terms for the construction of the Staircase, and increases the size of space on the 16th Floor of the tenancy. The Twelfth Amendment is attached hereto as Exhibit A.

2. Sublandlord and Subtenant, for their mutual benefit, hereby amend the Sublease Agreement to include the Twelfth Amendment in its entirety to the Sublease Agreement. Both Sublandlord and Subtenant shall have all rights, duties, obligations and benefits with respect to the Twelfth Amendment as if it was part of the Sublease Agreement when it was originally signed.

3. Subtenant acknowledges that any and all expenses incurred in association with the expansion and stairwell installation set forth in the Twelfth Amendment will be the sole responsibility of Subtenant.

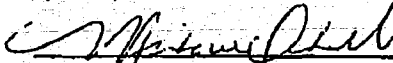
4. All defined terms not otherwise expressly defined herein shall have the respective meanings given in the Sublease Agreement.

5. Sublandlord and Subtenant acknowledge and agree that the Sublease Agreement, as amended herein, constitutes the entire agreement by and between Sublandlord and Subtenant. Except as modified herein, all other covenants and provisions of the Sublease Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Sublease Agreement as of the day and year first above written.

SUBLANDLORD:

METROPOLITAN WEST ASSET MANAGEMENT,
LLC,
a California limited liability company, by THE TCW
GROUP, INC., as its sole Member

By: 

Name: Michael Cahill
Title: Executive Vice President - General Counsel

Dated: 9/27/10

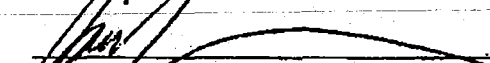
By: 

Name: David S. Devito
Title: Executive Vice President
and Chief Administrative Officer

Dated: 9/27/10

SUBTENANT:

JRK PROPERTY HOLDINGS, INC.,
a California corporation

By: 

Name: James Loppman
Title: Chairman

Dated: 9/28/10

Exhibit A

Twelfth Amendment of Office Building Lease

[see attached]

TWELFTH AMENDMENT TO OFFICE BUILDING LEASE

This Twelfth Amendment to Office Building Lease (the "Twelfth Amendment"), dated September 24, 2010, is made by and between DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company ("Landlord"), with offices at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company ("Tenant"), with offices at 11766 Wilshire Boulevard, Suite 1500, Los Angeles, California 90025.

WHEREAS,

A. Douglas Emmett Realty Fund 1995, a California limited partnership ("DERF 1995"), pursuant to the provisions of that certain written Office Lease, dated June 24, 1998 (the "Original Lease"), leased to Tenant, and Tenant leased from DERF 1995, space in the property located at 11766 Wilshire Boulevard, Los Angeles, California 90025 (the "Building"), commonly known as Suite 1580 (the "Original Premises");

B. DERF 1995 and Tenant subsequently entered into that certain First Amendment to Office Lease, dated March 2, 1999 (the "First Amendment"), that certain Second Amendment to Office Lease, dated September 27, 1999 (the "Second Amendment"), pursuant to which Tenant leased that portion of the fifteenth (15th) floor of the Building then commonly known as Suite 1560 (which, together with the Original Premises, became collectively and commonly known as, and shall be hereinafter referred to as, "Suite 1500"), that certain Third Amendment to Office Lease, dated February 25, 2000 (the "Third Amendment"), pursuant to which Tenant leased additional space on the fifteenth (15th) floor adjacent to (and which became a part of) the Original Premises, that certain Fourth Amendment dated March 16, 2001 (the "Fourth Amendment"), pursuant to which Tenant leased that portion of the sixteenth (16th) floor of the Building commonly known as Suite 1660, that certain Sixth Amendment to Office Lease, dated February 22, 2002 (the "Sixth Amendment"), pursuant to which Tenant leased that portion of the sixteenth (16th) floor of the Building commonly known as Suite 1650, that certain Seventh Amendment to Office Lease, dated October 7, 2003 (the "Seventh Amendment"), pursuant to which Tenant leased that portion of the fifteenth (15th) floor of the Building commonly known as Suite 1550, and that certain Eighth Amendment to Office Lease, dated December 23, 2003 (the "Eighth Amendment"), pursuant to which Tenant extended the lease term with respect only to Suites 1500 and 1550 and returned possession of Suites 1660 and 1650 to Landlord;

C. Landlord subsequently succeeded to the interest of DERF 1995 under the Original Lease, as amended;

D. Landlord and Tenant subsequently entered into that certain Ninth Amendment to Office Lease dated February 23, 2005 (the "Ninth Amendment"), pursuant to which Tenant leased that portion of the fifteenth (15th) floor of the Building then commonly known as Suite 1520 (which became a part of Suite 1500), that certain Tenth Amendment to Office Lease dated May 12, 2005 (the "Tenth Amendment"), that certain Eleventh Amendment to Office Lease dated January 30, 2009 (the "Eleventh Amendment"), pursuant to which Tenant leased that portion of the sixteenth (16th) floor of the Building commonly known as Suite 1610, and that certain Memorandum of Lease Term Dates and Rent dated October 20, 2009 (the "Memorandum");

E. Suite 1500 and Suite 1610 shall be hereinafter referred to as the "Existing Premises";

F. The Original Lease, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment, the Eighth Amendment, the Ninth Amendment, the Tenth Amendment, the Eleventh Amendment and the Memorandum shall be hereinafter collectively referred to as the "Lease";

G. Tenant and JRK Property Holdings, Inc. ("JRK") entered into that certain sublease dated March 16, 2010 (the "Sublease"), pursuant to which Tenant subleased the entirety of the Existing Premises to JRK;

H. Tenant wishes to expand its occupancy within the Building to include that portion of the sixteenth (16th) floor of the Building adjacent to Suite 1610 shown on Exhibit A [to be] attached hereto and made a part hereof (which presently constitutes a portion of Suite 1600; contains approximately 100 square feet of Rentable Area, shall become a part of Suite 1610 and be hereinafter referred to as the "Expansion Space");

I. Tenant has requested Landlord's consent to the installation of an interior stairwell connecting Suite 1500 and Suite 1610 (as evidenced by that certain letter dated August 3, 2010 attached hereto as Exhibit B), which consent Landlord shall grant, subject to Tenant's compliance with the express terms and conditions of this Twelfth Amendment; and

J. Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of this Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Twelfth Amendment.

2. **Expansion Date.** The term of the lease of the Expansion Space shall commence on the date (the "Expansion Date") that is the earlier of (i) October 1, 2010, or (ii) the date Tenant commences construction of the Stairwell Work (as defined in Section 9 of this Twelfth Amendment), and shall continue through and including the Termination Date ("Expansion Term"). The anticipated Expansion Date is October 1, 2010. Landlord shall deliver possession of the Expansion Space to Tenant on the first business day following the full execution of this Twelfth Amendment so that Tenant may commence construction of the Stairwell Work. As soon as the Expansion Date is determined, Landlord and Tenant shall promptly execute an amendment to the Lease confirming the finalized Expansion Date and Expansion Term.

3. **Expansion of Premises.** As of the Expansion Date, the definition of the Premises shall be revised to include both the Premises and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Space together, as if the same had been originally included in the Lease.

Subject to the express provisions of this Section 3, as of the Expansion Date, the Usable Area of the Premises shall increase from 24,603 square feet to 24,703 square feet and the Rentable Area of the Premises shall increase from 29,146 square feet to 29,264 square feet.

Since the Expansion Space is not yet fully demised, once the exact location of the demising walls is established, a recalculation of the Usable Area of the Expansion Space shall be made by Stevenson Systems, Inc., an independent planning firm, using the June, 1996 standards set forth by the Building Owners and Managers Association as a guideline (the "Expansion Space Recalculation"), it being expressly understood and agreed that, within five (5) business days following Tenant's receipt of Landlord's billing, Tenant shall pay for (i) the costs of the Expansion Space Recalculation, and (ii) the costs of a recalculation of the Usable Area of Suite 1600 (the "Suite 1600 Recalculation").

Landlord and Tenant further agree that the Rentable Area of the Expansion Space shall be calculated on the basis of 1.1828 times the estimated Usable Area, regardless of what actual common areas of the Building may be, or whether they may be more or less than 18.28% of the total estimated Usable Area of the Building, and is provided solely to give a general basis for comparison and pricing of this space in relation to other spaces in the market area.

Landlord and Tenant further agree that once the Rentable Area and Usable Area of the Expansion Space have been determined as specified hereinabove, even if later either party alleges that the actual Rentable Area or Usable Area of the Expansion Space is more or less than the figures stated herein; and whether or not such figures are inaccurate, for all purposes of the Lease, the Rentable and Usable figures agreed upon shall be conclusively deemed to be the Rentable Area or Usable Area of the Expansion Space, as the case may be.

If the Rentable Area or Usable Area of the Expansion Space is increased or decreased pursuant to this Section 3, then (i) the initial Fixed Monthly Rent payable by Tenant for the Expansion Space shall be recalculated based on \$3.25 per square foot of Rentable Area, per month, (ii) the increases in Fixed Monthly Rent shall be appropriately adjusted to result in an increase in said Fixed Monthly Rent of three percent (3%) per annum, cumulative over the Expansion Term, commencing on the first calendar day of the thirteenth (13th) calendar month following the Expansion Date (the "Initial Expansion Space Fixed Monthly Rent Increase Date"), and continuing on each anniversary of the Initial Expansion Space Fixed Monthly Rent Increase Date occurring during the Expansion Term, (iii) "Tenant's Share" for the Expansion Space as set forth in Section 4 below shall be increased or decreased equally, by dividing the newly calculated Usable Area of the Expansion Space by the Usable Area of the Building, (iv) the Security Deposit shall be adjusted to equal the amount of Fixed Monthly Rent payable by Tenant for the aggregate of the Existing Premises and the Expansion Space for the month of July 2017, and (v) Landlord and Tenant shall execute an amendment to the Lease confirming the foregoing.

4. **Revision in Monthly Fixed Rent - Expansion Space.** Subject to adjustment pursuant to Section 3 of this Second Amendment:

Commencing on the Expansion Date, and continuing through September 30, 2011, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall be \$383.50 per month;

Commencing on October 1, 2011, and continuing through September 30, 2012, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$383.50 per month to \$395.01 per month;

Commencing on October 1, 2012, and continuing through September 30, 2013, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$395.01 per month to \$406.86 per month;

Commencing on October 1, 2013, and continuing through September 30, 2014, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$406.86 per month to \$419.06 per month;

Commencing on October 1, 2014, and continuing through September 30, 2015, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$419.06 per month to \$431.63 per month;

Commencing on October 1, 2015, and continuing through September 30, 2016, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$431.63 per month to \$444.58 per month; and

Commencing on October 1, 2016, and continuing throughout the remainder of the Expansion Term, the Monthly Fixed Rent payable by Tenant for the Expansion Space shall increase from \$444.58 per month to \$457.92 per month.

5. **Tenant's Share.** As of the Expansion Date, Tenant's Share, solely with respect to the Expansion Space, shall be .03%, subject to adjustment pursuant to Section 3 of this Twelfth Amendment.

6. **Base Year.** As of the Expansion Date, the Base Year for the Expansion Space shall be calendar year 2010.

7. **Security Deposit.** Landlord acknowledges that it currently holds the sum of \$122,861.74 a Security Deposit under the Lease. Concurrent with Tenant's execution and delivery to Landlord of this Twelfth Amendment, Tenant shall tender the sum of \$457.92, which amount Landlord shall add to the Security Deposit already held by Landlord, so that thereafter, throughout the Second Extended Term, provided the same is not otherwise applied, Landlord shall hold a total of \$123,319.66 as a Security Deposit on behalf of Tenant, as such amount may be adjusted pursuant to Section 4 of this Twelfth Amendment. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Article 20 of the Original Lease, and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of the Lease or the acts or omission of Tenant or any Tenant Party. As used in the Lease a "Tenant Party" shall mean Tenant, any employee of Tenant, or any agent, authorized representative, design consultant or construction manager engaged by or under the control of Tenant.

8. **Acceptance of Premises.** Tenant acknowledges that to the best of Tenant's knowledge as of the date hereof, it has no claim against Landlord in connection with the Existing Premises or the Lease. Tenant has made its own inspection of and inquiries regarding the Expansion Space. Therefore, Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Existing Premises, the Expansion Space, or the Building for the purposes intended by Tenant.

9. **Stairwell Installation.** Tenant shall have the right to install, at JRK's sole cost and expense, an interior stairwell connecting Suite 1500 and Suite 1610 (the "Stairwell") upon the following terms and conditions:

Prior to commencing construction of the Stairwell (the "Stairwell Work"):

- (i) Tenant shall submit to Landlord, for Landlord's prior written approval, a complete set of structural engineering plans approved by Tenant and prepared by a licensed and qualified structural engineer approved by Landlord (the "Stairwell Plans");
- (ii) Tenant shall reimburse Landlord, within five (5) business days following Tenant's receipt of Landlord's billing, for costs incurred by Landlord to have a third-party structural engineer review the Stairwell Plans;
- (iii) Tenant shall deliver to Landlord a written estimate of the total cost of the Stairwell Work, inclusive of hard and soft costs (the "Stairwell Work Estimate");
- (iv) Tenant shall pay to Landlord, within five (5) business days following Tenant's receipt of Landlord's billing, the costs incurred by Landlord to obtain an estimate (the "Restoration Work Estimate") of the cost to remove the Stairwell and restore all of the affected portions of the Building to the condition existing prior to the commencement of the Stairwell Work (the "Restoration Work"); and
- (v) Tenant shall pay to Landlord a refundable deposit equal to two hundred percent (200%) of the Restoration Work Estimate (the "Restoration Work Deposit"), which shall be returned to Tenant within thirty (30) days following the completion of the Restoration Work.

The Stairwell Work shall be deemed a Tenant Change (as defined in Section 9.2 of the Original Lease) and shall be performed by a licensed general contractor approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) in strict accordance with the provisions of Section 9.2 of the Original Lease and Exhibit B-1 attached to and made a part of the Original Lease, it being expressly understood and agreed that Tenant shall, at Tenant's sole cost and expense, remove the balance of the perimeter walls located within the Expansion Space in connection with the Stairwell Work. In addition, prior to the expiration or earlier termination of the Lease, Tenant shall, at Tenant's sole cost and expense, cause the Restoration Work to be performed by a licensed general contractor approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), it being expressly understood and agreed that the Restoration Work shall also be deemed a Tenant Change and be performed in strict accordance with the provisions of said Section 9.2 and Exhibit B-1.

10. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or a partnership, each of the persons executing this Twelfth Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the corporation executing hereinbelow is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant

have full right and authority to enter into this Twelfth Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

11. **Broker Representation.** Landlord and Tenant represent and warrant to each other that no brokerage fees or commissions are due any brokers in connection with this Twelfth Amendment. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Twelfth Amendment.

12. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Twelfth Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Existing Premises or the Expansion Space, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.

13. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Expansion Space, as contemplated under this Twelfth Amendment, until both Landlord and Tenant have executed and delivered this Twelfth Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Twelfth Amendment.

14. **Governing Law.** The provisions of this Twelfth Amendment shall be governed by the laws of the State of California.

15. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the matters set forth herein, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document as of the day and year written below.

LANDLORD:

DOUGLAS EMMETT 1995, LLC, a Delaware limited liability company

By: Douglas Emmett Management, LLC, a Delaware limited liability company, its Agent


By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: Michael J. Means, Senior Vice President

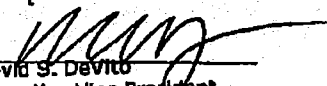
Dated: _____

TENANT:

METROPOLITAN WEST ASSET MANAGEMENT, LLC, a California limited liability company, by THE TCW GROUP, INC., as its sole Member

By: 
Name: MICHAEL E. CAHILL
Title: EXECUTIVE VICE PRESIDENT
GENERAL COUNSEL

Dated: 9/27/10

By: 
Name: David S. Davito
Title: Executive Vice President
and Chief Administrative Officer

Dated: 9/27/10

**EXHIBIT A
EXPANSION SPACE PLAN**

**A portion of Suite 1600 at 11766 Wilshire Boulevard, Los Angeles, California 90025
Rentable Area: approximately 118 square feet
Usable Area: approximately 100 square feet
(To be re-measured in accordance with the provisions of Section 3 of the Twelfth
Amendment)**

[TO BE ATTACHED]

EXHIBIT B

THE TCW GROUP, INC.

261 SOUTH FIGUEROA STREET, LOS ANGELES, CALIFORNIA 90017
TEL: 213 744 0505 FAX: 213 744 0485 E-MAIL: david.devito@tcw.com

DAVID S. DEVITO
EXECUTIVE VICE PRESIDENT
LAND ASSET MANAGEMENT OFFICER



August 3, 2010

Ms. Helene Altman
Douglas Emmett

Dear Helene:

On behalf of Metwest, we are requesting approval for our Subtenant, JRK Property Holdings, Inc., to install a stairwell between our leased premises located on the 15th and 16th floors in the Landmark Building located at 11766 Wilshire Blvd., Los Angeles, California.

Please feel free to contact me with any questions.

Best Regards,

A handwritten signature in black ink, appearing to read "Jim Lippman".

cc: Jim Lippman, JRK Property Holdings