

STANDARD OFFICE LEASE

1. Basic Provisions (“Basic Provisions”).

1.1 Parties: This Lease (“**Lease**”), dated for reference purposes only _____, 201_ (“**Effective Date**”), is made by and between _____, a _____ (“**Lessor**”) and _____, a _____ (“**Lessee**”), (collectively the “**Parties**”, or individually a “**Party**”).

1.2 (a) Premises: That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of _____, located in the City of _____, County of _____, State of _____, as outlined on **Exhibit A** attached hereto (“**Premises**”) and generally described as an office space of approximately _____ (_____) rentable square feet, and located in the Building, as defined below, which consists of approximately _____ (_____) rentable square feet. In addition to Lessee’s rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, exterior walls or utility raceways of the building containing the Premises (“**Building**”) or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the “**Project**.” (See also Paragraph 2)

(b) **Parking:** _____ (___) on-site, unreserved covered parking spaces; _____ (___) on-site, unreserved, uncovered parking spaces. *Lessee’s initial parking charges shall be _____ and 00/100 Dollars (\$___) for each on-site, unreserved covered parking spaces and _____ and 00/100 Dollars (\$___) for each on-site, unreserved uncovered parking spaces.* (See Paragraph 2.6)

1.3 Term: _____ (___) years and _____ (___) months, including any partial first month (“**Term**”) commencing upon _____ (“**Commencement Date**”) and ending _____ (___) full months after the Commencement Date (“**Expiration Date**”). *Provided that Lessee is not in breach or default of any of the terms, conditions, covenants, obligations or provisions of the Lease to which this Rider is attached, and that no event shall have occurred or state of facts exists which if continued uncured will, with the lapse of time or the delivery of notice, or both, constitute an event of Default or a Breach of this Lease, then Lessee shall have, and is hereby granted, the option to extend the initial Term for _____ (___) additional period(s) of _____ (___) years (“**Option Term(s)**”). Except as set forth in this Lease, Lessee’s occupancy of the Premises during the Option Term(s) shall be governed by all of the terms, conditions, covenants and provisions of the except that Lessee shall have no further option to extend the Term after the expiration of the Option Term(s). Base Rent for each Option Term shall be determined by the terms and conditions of Paragraph 1.5 below. If Lessee desires to exercise its option to extend the initial Term, it must give Lessor notice in writing (“**Option Notice**”) of its intent to do so at least nine (9) months, but not more than twelve (12) months prior to the expiration of the initial Term or, if applicable, the expiration of any*

prior Option Term. For the purposes of the Lease, the phrase “Term” shall be deemed to refer to the initial Term and the Option Term(s) to the extent applicable. In the event Lessee shall fail to give timely notice of its intention to exercise its rights hereunder as to any Option Term, the right to exercise said Option Term shall automatically terminate.

As a consideration for any Option Term, Lessee agrees to continued possession of the Premises during such Option Term, in an “AS-IS”, “WHERE-IS” “WITH ALL FAULTS” condition with no representations and warranties as to the suitability, quality or condition of any of the existing improvements or any fixtures or equipment contained therein or otherwise serving the Premises with no obligation on the part of the Lessor to undertake any work or pay for any additional improvements with regard to the Premises, except for those maintenance and/or repair obligations of Lessor expressly defined in this Lease. (See also Paragraphs 3 and 39)

1.4 Early Possession: See Paragraph 2.2.

1.5 Base Rent: _____ and __/100 Dollars (\$_____) per month (“**Base Rent**”), payable on the 1st day of each month commencing _____, 201_ and continuing through the end of the Term. If Base Rent commences on a day other than the first day of the month, the Base Rent for such first partial month shall be prorated based on a the actual number of days in such month. (See also Paragraph 4).

Adjustments to Base Rent: *[Annually, on the anniversary of the Commencement Date, Lessee’s Base Rent shall be adjusted as follows: _____.]*

Adjustment to Base Rent for Option Term(s): *Lessee’s Base Rent shall be adjusted on the first day of each Option Term by: [CPI language, Fair Market Rent Analysis, a set percentage] and thereafter, [annually on the anniversary of the Commencement Date] in accordance with “Adjustments to Base Rent” as defined hereinabove.*

1.6 Lessee’s Share of Common Area Operating Expenses: _____ percent (_____%) (“**Lessee’s Share**”). Lessee’s Share has been calculated by dividing the approximate rentable square footage of the Premises by the approximate rentable square footage of the Building in which the Premises is located. In the event of a discrepancy between the actual rentable square footage of the Building or the Premises, Lessor and Lessee stipulate and agree that the actual rentable square footage of the Building or the Premises are conclusive for all purposes of this Lease and that no adjustments to Base Rent or any other charge shall be made if the actual size of the Premises or the Building is greater or smaller than that set forth in Paragraph 1.2(a) above. Lessee’s Share shall be subject to adjustment in the event of an increase or decrease in the rentable square footage of the Building.

1.7 Base Rent and Other Monies Paid Upon Execution:

(a) Base Rent: \$_____ for the Base Rent attributable to the Base Rent for the first month and the last month of the Term.

(b) Estimated Common Area Operating Expenses: \$ _____ for the first month of the Term.

(c) Security Deposit: \$_____.

(d) Other: \$_____.

(e) Total Due upon Execution of this Lease: \$_____.

1.8 Agreed Use: Lessee shall use the Premises only for general office use only and for no other use whatsoever (See also Paragraph 6).

1.9 Insuring Party. Lessor is the “**Insuring Party**.” (See also Paragraph 8)

1.10 Real Estate Brokers: (See also Paragraph 15)

(a) **Representation:** The following real estate brokers (the “**Brokers**”) and brokerage relationships exist in this transaction (check applicable boxes):

- ☐ _____ represents Lessor exclusively (“**Lessor’s Broker**”);
☐ _____ represents Lessee exclusively (“**Lessee’s Broker**”); or
☐ _____ represents both Lessor and Lessee (“**Dual Agency**”).

(b) **Payment to Brokers:** Lessor shall pay to the Brokers the brokerage fee in accordance with a separate written agreement with such Brokers.

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by _____, a _____ (“**Guarantor**”). (See also Paragraph 37).

1.12 Exhibits. Attached hereto are **Exhibits A through E**, all of which constitute a part of this Lease.

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating Rent, is an approximation which the Parties agree is reasonable and any payments based thereon are not subject to revision whether or not the actual size is more or less.

2.2 Condition. The respective obligations of Lessor and Lessee with respect to the condition of the Premises at the time Lessor tenders possession of the Premises to Lessee are defined in **Exhibit D** attached hereto and incorporated herein. The Premises is accepted by Lessee in “as is, where is and with all faults” condition and configuration without any representations or warranties by Lessor.

Lessee shall commence the construction of Lessee's Work as described in **Exhibit D** promptly upon Lessor tendering possession of the Premises to Lessee and Lessee shall diligently prosecute such construction to completion in accordance with the express terms and conditions of **Exhibit D**.

At any time after the Effective Date, but prior to the Commencement Date, Lessee shall have the right to enter the Premises for the purposes of measuring the Premises and installing therein Lessee's fixtures, equipment and merchandise and completing Lessee's Work as defined in **Exhibit D**. Such entry upon the Premises shall be subject to all terms and conditions of this Lease including, but not limited to insurance provisions, except the obligation to pay Base Rent or any additional rent. Lessee hereby indemnifies and holds Lessor, the Premises and the Project harmless from any and all costs, losses, damages or expenses of any kind or nature arising out of or resulting from such activities upon the Premises or Project by Lessee, or its agents, employees or contractors.

2.3 Compliance. Lessor warrants that to Lessor's current actual knowledge, the improvements on the Premises and the Common Areas as of the Effective Date comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances in effect on the Start Date ("**Applicable Requirements**"), with the exception of any and all applicable requirements under the Americans with Disabilities Act (United States Code Section 12101, et seq.) and/or any related requirements of the county or state in which the Premises is located, with respect to which Lessee is entirely responsible. Said warranty does not apply to the use to which Lessee will put the Premises or to Lessee's Work, any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such noncompliance ("**Noncompliance**"), rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of Noncompliance with this warranty within six (6) months following the Start Date, correction of that Noncompliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed or applied, enforced or interpreted in a different fashion, so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building or ingress and egress thereto or the reinforcement or other physical modification of the Unit, Premises and/or Building ("**Capital Expenditure**"), and unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 8.7 and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Noncompliance, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such Noncompliance exceeds six (6) times the then monthly Base Rent or Twenty Thousand and 00/100 Dollars (\$20,000.00), whichever is greater, give written notice to Lessee,

within thirty (30) days after receipt by Lessor of knowledge of the Noncompliance, of Lessor's desire to terminate this Lease as of the date sixty (60) days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within ten (10) days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Noncompliance exceeds an amount equal to six (6) times the then monthly Base Rent or Twenty Thousand and 00/100 Dollars (\$20,000.00), whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

If the Noncompliance is instead triggered by Lessee as a result of its use, an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall be fully responsible for the cost of curing such Noncompliance, and Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been advised by Lessor to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (b) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and (c) neither Lessor nor Lessor's agents have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee or an affiliate or predecessor-in-interest of Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 Vehicle Parking. Lessee may use the parking spaces defined in Section 1.2(b) of the Basic Lease Provisions on those portions of the Common Areas designated from time to time by Lessor for parking, on a non-exclusive, unreserved basis. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "**Permitted Size Vehicles.**" Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. All parking is on a "first come-first served" basis, and is subject to the Rules and Regulations pursuant to Paragraph 2.9.

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or

invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 Common Areas - Definition. For the purposes of this Lease, the term “Building Common Areas” means common hallways, corridors, walkways and footpaths, foyers and lobbies, bathrooms and janitorial closets, electrical and telephone closets, landscaped areas and such other areas within or adjacent to the Building which are subject to or are designed or intended for the common enjoyment, use and/or benefits of Lessor and the tenants of the Building. The term “Project Common Areas” means common walkways, footpaths, driveways, parking areas, service areas, landscaped areas, common use facilities and amenities for the Project such as conference rooms, smoker lounges, food service and fitness facilities (if any) and such other areas within or adjacent to the Project which are subject to or are designed or intended for the common enjoyment, use and/or benefit of Lessor and the tenants of the Project. The term “**Common Areas**” shall include all Building Common Areas and all Project Common Areas for the purposes of this Lease.

2.8 Common Areas - Lessee’s Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor’s designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations (“**Rules and Regulations**”) for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and

Regulations by other tenants of the Project. A copy of the current Rules and Regulations is attached hereto as **Exhibit C**.

2.10 Common Areas – Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and initial Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. If Lessee totally or partially occupies the Premises prior to the Commencement Date for the purpose of moving into, fixturing and readying the Premises (but not for the purpose of conducting business from the Premises), the obligation to pay Base Rent shall be abated for the period of such early possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall, however, be in effect during such period; provided, however, that if Lessee conducts business from the Premises during such early occupancy period, Lessee shall be responsible for paying Base Rent for any such period in which Lessee is conducting business from the Premises. Any such early possession shall not affect the Expiration Date.

3.3 Delay in Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession as agreed, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not,

however, be obligated to pay Rent or perform its other obligations until it receives possession of the Premises. If Lessor is delayed in delivering possession of the Premises due to Lessor's gross negligence or willful misconduct then, as Lessee's sole remedy, the Commencement Date and the Expiration Date of the Original Term shall be extended one (1) day for each day Lessor is delayed in delivering possession of the Premises to Lessee.

3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit, if any) are deemed to be rent ("**Rent**") and all amounts of Rent payable in a given month shall be deemed to comprise a single rental obligation of Lessee to Lessor, subject to all of Lessor's remedies for Lessee's nonpayment or late payment for Base Rent as defined in this Lease, at law or in equity.

4.2 Common Area Operating Expenses. Commencing on the Commencement Date and payable thereafter on the first day of each month of the Term, Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "**Common Area Operating Expenses**" are defined, for purposes of this Lease, as all costs incurred by Lessor relating to the ownership and operation of the Project, including, but not limited to, the following:

(i) The operation, repair and maintenance, in neat, clean, good order and condition of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire detection and/or sprinkler systems.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) Trash disposal, pest control services, management, security services, and the costs of any environmental inspections.

(iv) Reserves set aside for maintenance and repair of Common Areas.

(v) Real Property Taxes (as defined in Paragraph 10).

(vi) The cost of the premiums for the insurance maintained by Lessor pursuant to Paragraph 8.

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) The cost of any Capital Expenditure to the Building or the Project not covered under the provisions of Paragraph 2.3; provided, however, that Lessor shall amortize the cost of any such Capital Expenditure over the expected useful life of the applicable item, with interest accruing on the unamortized balance at commercially reasonable rates, as reasonably determined by Lessor, consistent with Generally Accepted Accounting Principles.

(ix) Any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services except to the extent Lessor has agreed expressly elsewhere in this Lease to provide the same.

(d) Lessee's Share of Common Area Operating Expenses shall be payable by Lessee within ten (10) days after a reasonably detailed statement of actual expenses is presented to Lessee. At Lessor's option, however, an amount may be estimated by Lessor from time to time of Lessee's Share of annual Common Area Operating Expenses and the same shall be payable monthly or quarterly, as Lessor shall designate, during each twelve (12) month period of the Term, on the same day as the Base Rent is due hereunder. Lessor shall deliver to Lessee within ninety (90) days after the expiration of each calendar year a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses incurred during the preceding year. If Lessee's payments under this Paragraph 4.2(d) during the preceding year

exceed Lessee's Share as indicated on such statement, Lessor shall be credited the amount of such overpayment against Lessee's Share of Common Area Operating Expenses next becoming due. If Lessee's payments under this Paragraph 4.2(d) during the preceding year were less than Lessee's Share as indicated on such statement, Lessee shall pay to Lessor the amount of the deficiency within ten (10) days after delivery by Lessor to Lessee of the statement.

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of Two Hundred and 00/100 Dollars (\$200.00) in addition to any late charges which may be due.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within ten (10) days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within fourteen (14) days after the expiration or termination of this Lease, if Lessor elects to apply the Security Deposit only to unpaid Rent, and otherwise within thirty (30) days after the Premises have been vacated pursuant to Paragraph 7.4(c) below, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. Lessee hereby waives the provisions of any present or future statute of the State in which the Premises is located to the extent inconsistent herewith.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term “**Hazardous Substance**” as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee’s expense) with all Applicable Requirements. Lessee shall also provide Lessor with copies of Material Safety Data Sheets (hereinafter, “**MSDS**”) for all materials stored in the Premises by Lessee and, if Lessee commences the storage of other products during the term, Lessee shall provide Lessor with copies of the MSDS for such new materials within ten (10) days after Lessee commences storing such products. “**Reportable Use**” shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or requiring that Lessee provide Lessor with a security deposit in an amount to be reasonably determined by Lessor.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of

such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Start Date, unless such remediation measure is required as a result of Lessee's use (including "**Alterations**", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(f) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds six (6) times the then monthly Base Rent or Fifty Thousand and 00/100 Dollars (\$50,000.00), whichever is greater, give written notice to Lessee, within thirty (30) days after receipt by Lessor of knowledge of the

occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date sixty (60) days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within ten (10) days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to six (6) times the then monthly Base Rent or Fifty Thousand and 00/100 Dollars (\$50,000.00), whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said requirements are now in effect or become effective after the Start Date. Lessee shall, within ten (10) days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor as a Common Area Operating Expense, unless a violation of Applicable Requirements, or a contamination is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination.

6.5 Other Requirements. Attached hereto and incorporated herein as **Exhibit F** is a listing of all environmental requirements of Lessee associated with the Project, the Building and the Premises. To the extent that any of the provisions of **Exhibit F** are in conflict with this Section 6, the terms and conditions of **Exhibit F** shall control.

7. Maintenance Repairs, Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole cost and expense, maintain the Premises in a clean, neat and sanitary condition and shall keep the Premises and every part thereof in good condition and repair except where the same is required to be done by Lessor. Lessee hereby waives all rights to make repairs at the expense of Lessor as provided by any law, statute or ordinance now or hereafter in effect. All of Lessee's alterations and/or improvements are the property of the Lessor, and Lessee shall, upon the expiration or earlier termination of the Term, surrender the Premises, including Lessee's alterations and/or improvements, to Lessor, janitorial clean and in the same condition as when received, ordinary wear and tear excepted. Except as set forth in Paragraph 7.2 below, Lessor has no obligation to construct, remodel, improve, repair, decorate or paint the Premises or any improvement thereon or part thereof. Lessee shall pay for the cost of all repairs to the Premises not required to be made by Lessor and shall be responsible for any redecorating, remodeling, alteration and painting during the Term as Lessee deems necessary. Lessee shall pay for any repairs to the Premises, the Building, and/or the Project made necessary by any negligence, willful act or omission of Lessee, its employees or invitees.

(b) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after ten (10) days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly reimburse Lessor for the cost thereof.

(c) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1 (b) cannot be repaired other than at a cost which is in excess of fifty percent (50%) of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and amortized over the expected useful life of the item, as reasonably determined by Lessor. Lessee shall only be obligated to pay monthly installments thereon each month during the remainder of the term of this Lease, on the date on which Base Rent is due. Lessee shall pay interest on the unamortized balance at a rate that is commercially reasonable in the judgment of Lessor. Lessee may, however, prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, Lessor shall (a) make all necessary repairs to the exterior walls, exterior doors, foundation, roof, structure, windows and corridors of the Building, (b) keep the Building, the Building Common Areas and the Project Common Area in a clean, neat and attractive condition, and (c) keep the Building equipment serving the Building generally, such as elevators, plumbing, heating, air conditioning and similar Building equipment, in good repair, but Lessor shall not be liable or responsible for breakdowns or interruptions in service when reasonable efforts are made to restore such service. If Lessee requires a repair pursuant to this Paragraph 7.2 (except in the event of an emergency), Lessee shall submit its request in writing to Lessor or Lessor's property

manager. Lessor shall have no obligation to make any repair not requested in writing (except in the event of an emergency) and shall have no obligation to make any repair to any improvement or equipment constructed or installed by or on behalf of Lessee or for Lessee's particular use. Lessee expressly waives the benefit of any statute regarding repairs or self-help now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term “**Utility Installations**” refers to all floor and window coverings, air lines, power panels, electrical distribution, security and fire protection systems, communication systems, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term “**Trade Fixtures**” shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term “**Alterations**” shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. “**Lessee Alterations and/or Utility Installations**” are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to one hundred fifty percent (150%) of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor. Lessee may also be required to deliver to Lessor such other evidence of Lessee's payment of the general contractor and subcontractors for the any Alteration or Utility Installation and the absence of any liens generated by such Alteration or Utility Installation (i.e., either unconditional lien releases in accordance with the laws of the State in which the Premises is located).

(c) **Indemnification.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialman's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien,

claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to one hundred fifty percent (150%) of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessor, considered a part of the Premises and, at the expiration or termination of this Lease, be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor prior to the end of the term of this Lease, Lessor may require that any or all Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for twelve (12) months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Payment of Premiums. The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, which Lessee shall provide to Lessor prior to the commencement of Lessee's Work, as defined in **Exhibit D**. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence with an annual aggregate of not less than Two Million and 00/100 Dollars (\$2,000,000.00), an "Additional Insured-Managers or Lessors of Premises Endorsement" and contain the "Amendment of the Pollution Exclusion Endorsement" for damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "Insured Contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. All insurance carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only. Lessor may require that the minimum Commercial General Liability insurance limits set forth in this section be adjusted upward upon notice to Lessee if, in the reasonable opinion of Lessor's Lender or the insurance broker retained by Lessor, the amount of such insurance is inadequate.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance and other coverages.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground- lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full replacement cost of the Premises, as the same shall exist from time to time, or such greater amount as is required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee under Paragraph 8.4. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood, unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises is located. If such insurance

coverage has a deductible clause, the deductible amount shall not exceed One Thousand and 00/100 Dollars (\$1,000.00) per occurrence. Such policy shall name as additional insureds Lessor and such Lender and/or agents of Lessor as are requested by Lessor.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one (1) year with an extended period of indemnity for an additional one hundred eighty (180) days (“**Rental Value Insurance**”). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next twelve (12) month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee’s acts, omissions, use or occupancy of the Premises.

(d) **Lessee’s Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 Lessee’s Property Insurance and other coverages.

(a) Property Insurance. Lessee shall, during the Term, keep in full force and effect, a policy or policies of insurance with “Special Form Coverage,” including coverage for vandalism or malicious mischief and sprinkler leakage, insuring the Lessee Work and Lessee’s stock in trade, furniture, personal property, fixtures, equipment and other items in the Premises, with coverage in an amount equal to one hundred percent (100%) of full replacement cost, without depreciation, thereof. Lessor, and any other party with an additional insured interest named by Lessor, shall be named as a “loss payee as its interests may appear” under Lessee’s policies of property insurance. In addition, the policies required pursuant to the provisions of this Paragraph 8.4 shall not have a deductible in excess of One Thousand and No/100 Dollars (\$1,000.00).

(b) Worker’s Compensation and Employer Liability Insurance. Lessee shall, during the Term, keep in full force and effect, a policy or policies of worker’s compensation insurance with an insurance carrier and in amounts approved by the Industrial Commission of the State in which the Premises is located and a policy of employer’s liability insurance with limits of liability not less than One Million and No/100 Dollars (\$1,000,000.00), each accident; One Million and No/100 Dollars (\$1,000,000.00), disease policy limit; and One Million and No/100 Dollars (\$1,000,000.00), disease each employee.

(c) Business Income and Extra Expense Coverage. Lessee shall, during the Term, keep in full force and effect, a policy or policies of business income/business interruption insurance and extra expense coverage (collectively, “Business Income Insurance”) with coverage that will reimburse Lessee for all direct and indirect loss of income and changes and costs incurred arising out of all named perils insured against by Lessee’s policies of property

insurance, including prevention of, or denial of use of or access to, all or part of the Premises or Building as a result of those named perils. The Business Income Insurance coverage must provide coverage for no less than twelve (12) months of the loss of income, charges and costs contemplated under this Lease.

(d) Insurance Requirements. Each insurance policy and certificate thereof obtained by Lessee pursuant to this Lease shall contain a clause that the insurer will provide Lessor, its members, partners and any persons, firms or corporations designated by Lessor with at least thirty (30) days prior written notice of any material change, non-renewal or cancellation of the policy. Each such insurance policy shall be with an insurance company authorized to do business in the State in which the Premises is located and rated not less than A- VIII in the then most current edition of "Best's Key Rating Guide". Certificates of each insurance policy evidencing the coverage required under this Paragraph 8 shall be delivered to Lessor prior to commencement of the Term. Each such policy shall provide that any loss payable thereunder shall be payable notwithstanding (a) any act, omission or neglect by Lessee or by any sublessee of Lessee, or (b) any occupation or use of the Premises or any portion thereof by Lessee or by any subtenant of Lessee for purposes more hazardous than permitted by the terms of such policy or policies, or (c) any foreclosure or other action or proceeding taken by any mortgagee or trustee pursuant to any provision of any mortgage or deed of trust covering the Premises, the Building or the Project, or (d) any change in title or ownership of the Project. All insurance policies required pursuant to this Paragraph 8 shall be written as primary policies, and shall provide that any insurance which Lessor or Lessor's lender may carry is strictly excess, secondary and non-contributing with any insurance carried by Lessee. Lessee shall procure and maintain all policies entirely at its own expense and shall, at least twenty (20) days prior to the expiration of such policies, furnish Lessor with certified copies of replacement policies or renewal certificates for existing policies in conformance with ACORD Form No. 25 or a form approved by Lessor in Lessor's sole discretion. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies maintained by Lessor or the insurance policies required pursuant to this Paragraph 8 or the coverage thereunder. If Lessee or any subtenant of Lessee does or permits to be done anything which shall increase the cost of any insurance policies maintained by Lessor, then Lessee shall reimburse Lessor for any additional premiums attributable to any act or omission or operation of Lessee or any subtenant of Lessee causing such increase in the cost of insurance. Any such amount shall be payable as Additional Rent within five (5) days after receipt by Lessee of a bill from Lessor. All policies of insurance (other than the policy of property insurance described in this Paragraph 8) shall name Lessor (and/or such other party or parties as Lessor may require) as insureds and shall be endorsed to indicate that the coverage provided shall not be invalid due to any act or omission on the part of Lessor. In addition, the policy of property insurance described in Paragraph 8 shall name Lessor (and Lessor's Lender, if Lessor shall so require) as a co-loss payee. The insurance requirements contained in this Paragraph 8 are independent of Lessee's waiver, indemnification and other obligations under this Lease and shall not be construed or interpreted in any way to restrict, limit or modify Lessee's waiver, indemnification or other obligations or to in any way limit Lessee's obligations under this Lease.

(e) Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to commencing construction of Lessee's Work or otherwise occupying the Premises, deliver to Lessor certified copies of policies of such insurance or certificates in the form described hereinabove evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one (1) year, or the length of the remaining Term of this Lease, whichever is less. If Lessee shall fail to procure and maintain the insurance required to be carried by it, Lessor may, but shall not be required to, procure and maintain the same at Lessee's sole cost and expense.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

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8.8 Exemption of Lessor from Liability. Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant of Lessor nor from the failure of Lessor to enforce the

provisions of any other lease in the Project. Notwithstanding Lessor's negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury to Lessee's business or for any loss of income or profit therefrom.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee's Alterations and Utility Installations, which can reasonably be repaired in three (3) months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to six (6) month's Base Rent. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee's Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in three (3) months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to six (6) month's Base Rent. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee's Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee's Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is Five Thousand and 00/100 Dollars (\$5,000.00) or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such

shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within ten (10) days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said ten (10) day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within ten (10) days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate thirty (30) days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective sixty (60) days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within ten (10) days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate sixty (60) days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage near End of Term. If at any time during the last six (6) months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving a written termination notice to Lessee within thirty (30) days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or

adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is ten (10) days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) Abatement. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) Remedies. If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than sixty (60) days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within thirty (30) days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such thirty (30) days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

9.8 Waive Statutes. Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute of the State in which the Premises is located to the extent inconsistent herewith.

10. Real Property Taxes.

10.1 Definition. As used herein, the term “**Real Property Taxes**” shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor’s right to other income therefrom, and/or Lessor’s business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. The term “**Real Property Taxes**” shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project or any portion thereof or a change in the improvements thereon. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 Payment of Taxes. Lessor shall pay the Real Property Taxes applicable to the Project, and except as otherwise provided in Paragraph 10.3, any such amounts shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 Additional Improvements. Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor’s records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee’s request.

10.4 Joint Assessment. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor’s work sheets or such other information as may be reasonably available. Lessor’s reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee’s Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee’s said property shall be assessed with Lessor’s real property, Lessee shall pay Lessor the taxes attributable to Lessee’s property within ten (10) days after receipt of a written statement setting forth the taxes applicable to Lessee’s property.

11. Utilities. Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the dumpster and/or an increase in the number of times per month that the dumpster is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "**assign or assignment**") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) A change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than twenty-five percent (25%) of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon thirty (30) days written notice, increase the monthly Base Rent to one hundred ten percent (110%) of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to one hundred ten percent (110%) of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Term shall be increased to one hundred ten percent (110%) of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of One Thousand and 00/100 Dollars (\$1,000.00) or ten percent (10%) of the current monthly Base Rent applicable to the portion of the Premises which is the subject of the proposed assignment or sublease, whichever is greater, as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested.

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment or entering into such sublease, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises

and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. Lessor shall not, by reason of the foregoing or any assignment of such sublease nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 days.

(c) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the rescission of an unauthorized assignment or subletting, (iii) an Estoppel Certificate, (iv) a requested subordination, (v) evidence concerning any guaranty and/or Guarantor, (vi) any document requested under Paragraph 41 (easements), or (vii) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of ten (10) days following written notice to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of twenty (20) days after written notice; provided, however, that if the nature of Lessee's Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said twenty (20) day period and thereafter diligently prosecutes such cure to completion.

(e) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(f) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(g) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within sixty (60) days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within ten (10) days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee upon receipt of invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it is drawn, Lessor, at its option, may require all future payments to be made by Lessee to be by cashier's check. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises is located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two (2) such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the State in which the Premises is located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

LESSEE HEREBY WAIVES ANY AND ALL RIGHTS CONFERRED BY ALL LAWS AND RULES OF LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED FROM TIME TO TIME IN EFFECT DURING THE TERM OR THEREAFTER PROVIDING THAT LESSEE SHALL HAVE ANY RIGHT TO REDEEM, REINSTATE OR RESTORE THIS LEASE FOLLOWING ITS TERMINATION BY REASON OF LESSEE'S BREACH.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within five (5) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a one-time late charge equal to ten percent (10%) of each such overdue amount or One Hundred and 00/100 Dollars (\$100.00), whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payment, shall bear interest

from the date when due, as to scheduled payments, or the 31st day after it was due as to non-scheduled payments. The interest (“**Interest**”) charged shall be equal to the prime rate reported in the Wall Street Journal as published closest prior to the date when due plus five percent (5%), but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than thirty (30) days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor’s obligation is such that more than thirty (30) days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively “**Condemnation**”), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than twenty percent (20%) of the floor area of the Premises is taken by Condemnation, Lessee may, at Lessee’s option, to be exercised in writing within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation for Lessee’s relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder’s fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys’ fees reasonably incurred with respect thereto.

16. Estoppel Certificates; Financial Statements.

(a) Each Party (as “**Responding Party**”) shall within ten (10) days after written notice from the other Party (the “**Requesting Party**”) execute, acknowledge and deliver to the Requesting Party a written “**Estoppel Certificate**” plus attesting to such information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such ten (10) day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party’s performance, and (iii) if Lessor is the Requesting Party, not more than one month’s rent has been paid in advance. Prospective purchasers and encumbrances may rely upon the Requesting Party’s Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) Lessee shall, within five (5) business days after request by Lessor, deliver to Lessor and/or any potential lender or purchaser designated by Lessor such financial statements with respect to Lessee and any Guarantor(s) hereunder as may be reasonably required by such lender or purchaser, including but not limited to financial statements for the past three (3) years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term “**Lessor**” as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee’s interest in the prior lease. In the event of a transfer of Lessor’s title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Except as provided in Paragraph 15, upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined. Notwithstanding the above, and subject to the provisions of Paragraph 20 below, the original Lessor under this Lease, and all subsequent holders of the Lessor’s interest in this Lease, shall remain liable and responsible with regard to the potential duties and liabilities of Lessor pertaining to Hazardous Substances as outlined in Paragraph 6.2 above.

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

19. Days. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. Subject to the provisions of Paragraph 17 above, the obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, the individual

partners of Lessor or its or their individual partners, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against the individual partners of Lessor, or its or their individual partners, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery or refusal shown on the receipt card, or if no delivery date is shown, the postmark thereon. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given upon the date of delivery or refusal as shown on the delivery certificate of the Postal Service or courier. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers. No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

25. Intentionally omitted.

26. **No Right to Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to one hundred fifty percent (150%) of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee. Lessee shall be responsible for any and all damages incurred by Lessor as a result of such holdover.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises is located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises is located.

30. **Lessor's Lender.**

30.1 **Subordination.** This Lease, as same may be amended or extended, shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises is acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of such new owner, this Lease shall automatically become a new Lease between Lessee and such new owner, upon all of the terms and conditions hereof, for the remainder of the term hereof, and (ii) Lessor shall thereafter be relieved of any further

obligations hereunder and such new owner shall assume all of Lessor's obligations hereunder, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

30.5 Notice. Lessee shall provide to Lender notice of, and a reasonable opportunity to cure, any Default hereunder by Lessor.

31. Attorneys' Fees. In the event of any dispute arising out of or relating to the interpretation and/or enforcement of this Lease, whether or not such action or proceeding is commenced, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (Two Hundred and 00/100 Dollars [\$200.00] is a reasonable minimum per occurrence for such services and consultation). Fees recoverable hereunder shall include all actual professional and and/or consulting fees, such as appraisers', accountants', and attorneys' fees incurred by the Prevailing Party, which payment obligation on the part of the other Party shall be deemed to have accrued on the date such fees were incurred and shall be enforceable whether or not that action is commenced or prosecuted to judgment. If Lessor employs a collection agency to recover delinquent charges, Lessee agrees to pay all reasonable collection agency fees charged to Lessor in addition to Rent, late charges, interest and other sums payable under this Lease.

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary. All such activities shall be without abatement of rent or liability to Lessee. Lessor may at any time place on the Premises any ordinary "For Sale" signs and Lessor may during the last six (6) months of the term hereof place on the Premises any ordinary "For Lease" signs.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within ten (10) days following any such event to elect to the contrary by written notice to the holder of any such lesser interest shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within ten (10) business days following such request.

37. Guarantor.

37.1 Execution. The Guarantor shall execute a guaranty in the form attached hereto and incorporated herein, and such Guarantor shall have the same obligations as Lessee under this Lease.

37.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted an option, as defined below, then the following provisions shall apply.

39.1 Definition. "Option" shall mean: (a) the right to extend the term of or renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase or the right of first refusal to purchase the Premises or other property of Lessor. If there are any inconsistencies between this Paragraph 39 as to any Option Term, as defined in Paragraph 1.3 of this Lease, the terms and conditions of Paragraph 1.3 of this Lease shall control.

39.2 Options Personal To Original Lessee. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given two (2) or more notices of separate Default, whether or not the Defaults are cured, during the twelve (12) month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.3(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term, (i) Lessee fails to pay Rent for a period of thirty (30) days after such Rent becomes due (without any necessity of Lessor to give notice thereof), (ii) Lessor gives to Lessee two (2) or more notices of separate Default during any twelve (12) month period, whether or not the Defaults are cured, or (iii) if Lessee commits a Breach of this Lease.

40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. Reservations. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. Performance under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay.

43. Authority. If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each party shall, within thirty (30) days after request, deliver to the other party satisfactory evidence of such authority.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Multiple Parties. If more than one person or entity is named herein as either Lessor or Lessee, such multiple Parties shall have joint and several responsibility to comply with the terms of this Lease.

48. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE. IF THE JURY WAIVER PROVISIONS OF THIS PARAGRAPH 48 ARE NOT ENFORCEABLE UNDER THE LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED, THEN THE FOLLOWING PROVISIONS SHALL APPLY. IT IS THE DESIRE AND INTENTION OF THE PARTIES TO AGREE UPON A MECHANISM AND PROCEDURE UNDER WHICH CONTROVERSIES AND DISPUTES ARISING OUT OF THIS LEASE OR RELATED TO THE PREMISES WILL BE RESOLVED IN A PROMPT AND EXPEDITIOUS MANNER. ACCORDINGLY, EXCEPT WITH RESPECT TO ACTIONS FOR UNLAWFUL OR FORCIBLE DETAINER OR WITH RESPECT TO THE PREJUDGMENT REMEDY OF ATTACHMENT, ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR SUBSIDIARIES OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, LESSEE'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, INCLUDING WHETHER THE MATTER ITSELF IS SUBJECT TO THIS ARBITRATION PROVISION, SHALL BE HEARD AND RESOLVED BY A REFEREE UNDER THE PROVISIONS OF THE LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED (THE "**REFEREE SECTIONS**"). ANY FEE TO INITIATE THE JUDICIAL REFERENCE PROCEEDINGS AND ALL FEES CHARGED AND COSTS INCURRED BY THE REFEREE SHALL BE PAID BY THE PARTY INITIATING SUCH PROCEDURE (EXCEPT THAT IF A REPORTER IS REQUESTED BY EITHER PARTY, THEN A REPORTER SHALL BE PRESENT AT ALL PROCEEDINGS WHERE REQUESTED AND THE FEES OF SUCH REPORTER – EXCEPT FOR COPIES ORDERED BY THE OTHER PARTIES – SHALL BE BORNE BY THE PARTY REQUESTING THE REPORTER); PROVIDED HOWEVER, THAT ALLOCATION OF THE COSTS AND FEES, INCLUDING ANY INITIATION FEE, OF SUCH PROCEEDING SHALL BE ULTIMATELY DETERMINED. THE VENUE OF THE PROCEEDINGS SHALL BE IN THE COUNTY IN WHICH THE PREMISES IS LOCATED. WITHIN TEN (10) DAYS OF RECEIPT BY ANY PARTY OF A WRITTEN REQUEST TO RESOLVE ANY DISPUTE OR CONTROVERSY PURSUANT TO THIS PARAGRAPH 48, THE PARTIES SHALL AGREE UPON A SINGLE REFEREE WHO SHALL TRY ALL ISSUES, WHETHER OF FACT OR LAW, AND REPORT A FINDING AND JUDGMENT ON SUCH ISSUES AS REQUIRED BY THE REFEREE SECTIONS. IF THE PARTIES ARE UNABLE TO AGREE UPON A REFEREE WITHIN SUCH TEN (10) DAY PERIOD, THEN ANY PARTY MAY THEREAFTER FILE A LAWSUIT IN THE COUNTY IN WHICH THE PREMISES IS LOCATED FOR THE PURPOSE OF APPOINTMENT OF A REFEREE UNDER THE REFEREE SECTIONS. IF THE REFEREE IS APPOINTED BY THE COURT, THE REFEREE SHALL BE A NEUTRAL AND IMPARTIAL RETIRED JUDGE WITH SUBSTANTIAL EXPERIENCE IN THE RELEVANT MATTERS TO BE DETERMINED, FROM JAMS/ENDISPUTE, INC., THE AMERICAN ARBITRATION ASSOCIATION OR SIMILAR MEDIATION/ARBITRATION ENTITY. THE PROPOSED REFEREE MAY BE CHALLENGED BY ANY PARTY FOR ANY OF THE GROUNDS LISTED IN THE REFEREE SECTIONS. THE REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES OF FACT AND LAW AND REPORT HIS

OR HER DECISION ON SUCH ISSUES, AND TO ISSUE ALL RECOGNIZED REMEDIES AVAILABLE AT LAW OR IN EQUITY FOR ANY CAUSE OF ACTION THAT IS BEFORE THE REFEREE, INCLUDING AN AWARD OF ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THIS LEASE. THE REFEREE SHALL NOT, HOWEVER, HAVE THE POWER TO AWARD PUNITIVE DAMAGES, NOR ANY OTHER DAMAGES WHICH ARE NOT PERMITTED BY THE EXPRESS PROVISIONS OF THIS LEASE, AND THE PARTIES HEREBY WAIVE ANY RIGHT TO RECOVER ANY SUCH DAMAGES. THE REFEREE SHALL OVERSEE DISCOVERY AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE, WITH RIGHTS TO LIMIT AND/OR REGULATE DISCOVERY AND TO ISSUE AND ENFORCE SUBPOENAS, PROTECTIVE ORDERS AND OTHER LIMITATIONS ON DISCOVERY AVAILABLE UNDER THE LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED. THE REFERENCE PROCEEDING SHALL BE CONDUCTED IN ACCORDANCE WITH THE LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED (INCLUDING THE RULES OF EVIDENCE), AND IN ALL REGARDS, THE REFEREE SHALL FOLLOW THE LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED APPLICABLE AT THE TIME OF THE REFERENCE PROCEEDING. THE PARTIES SHALL PROMPTLY AND DILIGENTLY COOPERATE WITH ONE ANOTHER AND THE REFEREE, AND SHALL PERFORM SUCH ACTS AS MAY BE NECESSARY TO OBTAIN A PROMPT AND EXPEDITIOUS RESOLUTION OF THE DISPUTE OR CONTROVERSY IN ACCORDANCE WITH THE TERMS OF THIS PARAGRAPH 48. IN THIS REGARD, THE PARTIES AGREE THAT THE PARTIES AND THE REFEREE SHALL USE BEST EFFORTS TO ENSURE THAT (A) DISCOVERY BE CONDUCTED FOR A PERIOD NO LONGER THAN SIX (6) MONTHS FROM THE DATE THE REFEREE IS APPOINTED, EXCLUDING MOTIONS REGARDING DISCOVERY, AND (B) A TRIAL DATE BE SET WITHIN NINE (9) MONTHS OF THE DATE THE REFEREE IS APPOINTED. THE DECISION OF THE REFEREE UPON THE WHOLE ISSUE MUST STAND AS THE DECISION OF THE COURT, AND UPON THE FILING OF THE STATEMENT OF DECISION WITH THE CLERK OF THE COURT, OR WITH THE JUDGE IF THERE IS NO CLERK, JUDGMENT MAY BE ENTERED THEREON IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. ANY DECISION OF THE REFEREE AND/OR JUDGMENT OR OTHER ORDER ENTERED THEREON SHALL BE APPEALABLE TO THE SAME EXTENT AND IN THE SAME MANNER THAT SUCH DECISION, JUDGMENT, OR ORDER WOULD BE APPEALABLE IF RENDERED BY A JUDGE OF THE SUPERIOR COURT IN WHICH VENUE IS PROPER HEREUNDER. THE REFEREE SHALL IN HIS/HER STATEMENT OF DECISION SET FORTH HIS/HER FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH THE LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED. NOTHING IN THIS PARAGRAPH 48 SHALL PREJUDICE THE RIGHT OF ANY PARTY TO OBTAIN PROVISIONAL RELIEF OR OTHER EQUITABLE REMEDIES FROM A COURT OF COMPETENT JURISDICTION AS SHALL OTHERWISE BE AVAILABLE UNDER THE LAW IN THE STATE IN WHICH THE PREMISES IS LOCATED AND/OR APPLICABLE COURT RULES.

49. Summary of Basic Lease Provisions. The attached Summary of Basic Lease Provisions is provided for the convenience of the Parties. In the event of any conflict between any provision provided therein and this Lease, this Lease shall prevail.

50. Force Majeure. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including failure, refusal or delay in issuing permits, approvals and/or authorizations), injunction or court order, riots, insurrection, war, fire, earthquake, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability) (herein collectively, "**Force Majeure Delays**"), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Paragraph 50 shall not apply to nor operate to excuse Lessee from the payment of Monthly Basic Rent, Project Operating Expenses, additional rent or any other payments strictly in accordance with the terms of this Lease.

51. Rooftop Rights. Lessor shall have the right to use the roof of building in which the Premises is located for the installation, maintenance, operation and repair of equipment that is used by Lessor in connection with the operation of the Building or Project. In addition, Lessor shall have the right to lease to one or more third parties, including without limitation, providers of communication services any portion of the roof of any building in the Project.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES. ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE

AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE
PREMISES FOR LESSEE'S INTENDED USE.

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The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

LESSEE UNDERSTANDS THAT THIS IS A PROPOSAL TO LEASE, AND DOES NOT BIND THE LESSOR UNTIL EXECUTED AND DELIVERED BY LESSOR AND LESSEE.

LESSOR:

LESSEE:

_____, a _____

_____, a _____

By: _____

By: _____

Name Printed: _____

Name Printed: _____

Title: _____

Title: _____

Dated: _____, 201_

Dated: _____, 201_

Address: _____

Address: _____

Telephone: _____

Facsimile: _____

Telephone: _____

Facsimile: _____

If Lessee is a corporation, two authorized officers must sign on behalf of the corporation. The Lease must be executed by the (1) President or Vice President, and (2) the Secretary or Assistant Secretary, unless the bylaws or a resolution of the Board of Directors of Lessee shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be furnished to Lessor. If Lessee is a partnership, all general partners must sign on behalf of the partnership.

EXHIBIT A
THE PREMISES

EXHIBIT B

LESSEE IMPROVEMENTS

LESSEE IMPROVEMENTS: Lessee shall accept premises in “AS IS” “WHERE IS” and “WITH ALL FAULTS” condition, except Lessor shall provide the following building standard improvements:

NONE

EXHIBIT C

RULES AND REGULATIONS

1. Unless otherwise specifically defined herein, all capitalized terms in these Rules and Regulations shall have the meaning set forth in the Lease to which these Rules and Regulations are attached.

2. The sidewalks, driveways, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls of the Building and the Project shall not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises demised to any Lessee or occupant.

3. No awnings or other projection shall be attached to the outside walls or windows of the Building. Other than building standard window coverings, no curtains, blinds, shades, or screens shall be attached to or hung in, or used in connection with, any window or door of the premises demised to any tenant or occupant, without the prior written consent of Lessor. All electrical fixtures hung in any premises demised to any tenant or occupant must be of a type, quality, design, color, size and general appearance approved by Lessor.

4. No tenant shall place objects against glass partitions, doors or windows which would be in sight from the Building corridors or from the exterior of the Building and such tenant will promptly remove any such objects when requested to do so by Lessor.

5. The windows and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed, nor shall any bottles, parcels, or other articles be placed on any window sills.

6. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building or the other buildings in the Project, nor placed in the halls, corridors, walkways, landscaped areas, vestibules or other public parts of the Building or the Project.

7. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. No tenant shall bring or keep, or permit to be brought or kept, any flammable, combustible, explosive or hazardous fluid, material, chemical or substance in or about the premises demised to such tenant or the Project.

8. No tenant or occupant shall mark, paint, drill into, or in any way deface any part of the Project, the Building or the premises demised to such tenant or occupant. No boring, cutting or strings of wires shall be permitted, except with the prior consent of Lessor, and as Lessor may direct. No tenant or occupant shall install any resilient tile or similar floor covering in the premises demised to such tenant or occupant except in a manner approved by Lessor.

9. Any carpeting cemented down by a tenant shall be installed with a releasable adhesive. In the event of a violation of the foregoing by a tenant, Lessor may charge the expense incurred in such removal to such tenant.

10. No bicycles, vehicles or animals of any kind (except any seeing eye or service animals) shall be brought into or kept in or about the premises demised to any tenant. No cooking shall be done or permitted in the Building by any tenant without the written approval of Lessor. No tenant shall cause or permit any unusual or objectionable odors to emanate from the premises demised to such tenant.

11. No space in the Building or the Project shall be used for manufacturing, for the storage of merchandise held for sale, or for the sale of merchandise, goods or property of any kind at auction.

12. No tenant shall make, or permit to be made, any unseemly or disturbing noises or vibrations or disturb or interfere with other tenants or occupants of the Building, the Project or neighboring buildings or premises whether by the use of any musical instrument, radio, television set broadcasting equipment or other audio device, unmusical noise, whistling, singing, or in any other way. Nothing shall be thrown out of any doors.

13. No additional locks or bolts of any kind shall be placed upon any of the doors, nor shall any changes be made in locks or the mechanism thereof. Each tenant must, upon the termination of its tenancy, return to Lessor all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such tenant.

14. All removals from the Building, or the carrying in or out of the Building or from the premises demised to any tenant, of any safes, freight, furniture or bulky matter of any description must take place at such time and in such manner as Lessor or its agents may determine, from time to time. Lessor reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of the Rules and Regulations or the provisions of such tenant's lease.

15. Lessor shall have the right to prohibit any advertising by any tenant or occupant which, in Lessor's opinion, tends to impair the reputation of the Building or the Project or its desirability as a building for offices and, upon notice from Lessor, such tenant or occupant shall refrain from or discontinue such advertising.

16. Each tenant, before closing and leaving the premises demised to such tenant at any time, shall see that all entrance doors are locked and all electrical equipment and lighting fixtures are turned off. Corridor doors, when not in use, shall be kept closed.

17. Each tenant shall, at its expense, provide artificial light in the premises demised to such tenant for Lessor's agents, contractors and employees while performing janitorial or other cleaning services and making repairs or alterations in said premises.

18. No premises shall be used, or permitted to be used for lodging or sleeping or for any immoral or illegal purposes.

19. There shall not be used in the Building, either by any tenant or occupant or by their agents or contractors, in the delivery or receipt of merchandise, freight or other matter, any hand trucks or other means of conveyance except those equipped with rubber tires, rubber side guards and such other safeguards as Lessor may require.

20. If the premises demised to any tenant become infested with vermin, such tenant, at its sole cost and expense, shall cause its premises to be exterminated, from time to time, to the satisfaction of Lessor, and shall employ such exterminators therefor as shall be approved in writing by Lessor.

21. No tenant shall move, or permit to be moved, into or out of the Building or the premises demised to such tenant, any heavy or bulky matter, without the specific approval of Lessor. If any such matter requires special handling, only a qualified person shall be employed to perform such special handling. No tenant shall place or permit to be placed, on any part of the floor or floors of the premises demised to such tenant, a load exceeding the floor load per square foot which such floor was designed to carry and which is allowed by law. Lessor reserves the right to prescribe the weight and position of safes and other heavy objects, which must be placed so as to distribute the weight.

22. With respect to work being performed by a tenant in its premises with the approval of Lessor, the tenant shall refer all contractors, contractors' representatives and installation technicians to Lessor for its supervision, approval and control prior to the performance of any work or services. This provision shall apply to all work performed in the Building and the Project including installation of telephones, telegraph equipment, electrical devices and attachments, and installations of every nature affecting floors, walls, woodwork, trim, ceilings, equipment and any other physical portion of the Building and the Project.

23. Lessor shall not be responsible for lost or stolen personal property, equipment, money, or jewelry from the premises of tenants or public rooms whether or not such loss occurs when the Building or the premises are locked against entry.

24. No tenant shall install any radio, telephone, television, microwave or satellite antenna, loudspeaker, music system or other device on the roof or exterior walls of the Building or on common walls with adjacent tenants or in the Project Common Areas.

25. No tenant shall employ any persons other than the janitor of Lessor for the purpose of cleaning its premises without the prior written consent of Lessor.

26. Each tenant shall give prompt notice to Lessor of any accidents to or defects in plumbing, electrical or heating apparatus so that same may be attended to properly.

27. Lessor reserves the right to reasonably limit access to and from the Building between the hours of 6:00 P.M. and 6:00 A.M. on business days, 8:00 A.M. to 12:00 P.M. to on Saturdays and at all hours on Sundays and holidays.

28. All tenants and tenants' servants, employees, agents, visitors, invitees and licensees shall observe faithfully and comply strictly with the foregoing Rules and Regulations and such other and further appropriate Rules and Regulations as Lessor or Lessor's agent from time to time adopt.

29. Lessor shall furnish each tenant, at Lessor's expense, with two (2) keys to unlock the entry level doors and two (2) keys to unlock each corridor door entry to each tenant's premises and, at such tenant's expense, with such additional keys as such tenant may request.

No tenant shall install or permit to be installed any additional lock on any door into or inside of the premises demised to that tenant or make or permit to be made any duplicate of keys to the entry level doors or the doors to such premises. Lessor shall be entitled at all times to possession of a duplicate of all keys to all doors into or inside of the premises demised to tenants of the Building. All keys shall remain the property of Lessor. Upon the expiration of the Lease Term, each tenant shall surrender all such keys to Lessor and shall deliver to Lessor the combination to all locks on all safes, cabinets and vaults which will remain in the premises demised to that tenant. Lessor may charge Lessee a reasonable fee (currently established at Twenty and 00/100 Dollars (\$20.00) for any lost key or any key not returned by Lessee to Lessor as and when required. Lessor shall be entitled to install, operate and maintain security systems in or about the Project which monitor, by computer, close circuit television or otherwise, persons entering or leaving the Project, the Building and/or the premises demised to any tenant. For the purposes of this rule, the term "keys" shall mean traditional metallic keys, plastic or other key cards and other lock opening devices.

30. Each person using the Parking Accommodations or other areas designated by Lessor where parking will be permitted shall comply with all Rules and Regulations adopted by Lessor with respect to the Parking Accommodations or other areas, including any employee or visitor parking restrictions, and any sticker or other identification system established by Lessor. Lessor may refuse to permit any person who violates any parking rule or regulation to park in the Parking Accommodations or other areas, and may remove any vehicle which is parked in the Parking Accommodations or other areas in violation of the parking Rules and Regulations. The Rules and Regulations applicable to the Parking Accommodations and the outside parking areas are as follows:

- (a) The maximum speed limit within the Parking Accommodations shall be 5 miles per hour.
- (b) All directional signs and arrows must be strictly observed.
- (c) All vehicles must be parked entirely within painted stall lines.
- (d) No intermediate or full-size car may be parked in any parking space reserved for a compact car; no bicycle, motorcycle or other two or three wheeled vehicle, and no truck, van or other oversized vehicle, may be parked in any area not specifically designated for use thereby.
- (e) No vehicle may be parked (i) in an area not striped for parking, (ii) in a space which has been reserved for visitors or for another person or firm, (iii) in an aisle or on a ramp, (iv) where a "no parking" sign is posted or which has otherwise designated as a no parking area, (v) in a cross hatched area, (vi) in an area bearing a "handicapped parking only" or similar designation unless the vehicle bears an appropriate handicapped designation, (vii) in an area bearing a "loading zone" or similar designation unless the vehicle is then engaged in a loading or unloading function and (viii) in an area with a posted height limitation if the vehicle exceeds the limitation.

(f) Parking passes, stickers or other identification devices that may be supplied by Lessor shall remain the property of Lessor and shall not be transferable. A replacement charge determined by Lessor will be payable by each tenant for loss of any magnetic parking card or parking pass or sticker.

(g) Parking attendants shall not be authorized to make or allow any exceptions to these Rules and Regulations.

(h) Each operator shall be required to park and lock his or her own vehicle, shall use the Parking Accommodations at his or her own risk and shall bear full responsibility for all damage to or loss of his or her vehicle, and for all injury to persons and damage to property caused by his or her operation of the vehicle.

(i) Lessor reserves the right to tow away, at the expense of the owner, any vehicle which is inappropriately parked or parked in violation of these Rules and Regulations.

35. Lessor reserves the right at any time and from time to time to rescind, alter or waive, in whole or in part, any of the Rules and Regulations when it is deemed necessary, desirable or proper, in Lessor's judgment for its best interest or of the best interests of the tenants of the Project.

36. *Lessor has designated the Building a "non-smoking" building. Accordingly, smoking of tobacco or any other weed plant is prohibited in the Building Common Areas, the Project Common Areas and the Premises.*

37. Lessor reserves the right to amend or supplement the foregoing rules and regulations and to adopt and promulgate additional rules and regulations applicable to the Premises upon notice to the Lessee.

Lessee hereby acknowledges receipt of the Rules and Regulations.

LESSEE:

_____, a(n)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D
**PROVISIONS RELATING TO THE DESIGN
AND CONSTRUCTION OF THE PREMISES**

SECTION I
GENERAL REQUIREMENTS

1. The Building in which the Premises is located is substantially complete as of the Effective Date. It is expressly understood and agreed that the Building of which the Premises is a part may constitute a portion of a larger building.

2. Lessor shall deliver a floor plan of the Premises ("**Floor Plan**") to Lessee showing thereon the columns and other structural work in the Premises.

3. Lessor will construct and the work hereinafter set forth as "**Lessor's Work**". Lessee shall be responsible, at its own cost and expense, to complete the work hereinafter set forth as "**Lessee's Work**"; all of Lessee's Work shall be completed to a good and workmanlike condition.

4. Lessee's plans shall be prepared with full knowledge of and in compliance with the Floor Plan, this **Exhibit D** and all City, County, State and Federal ordinances, rules and regulations relating thereto including, without limitation, the energy conservation requirements, if applicable, of the State in which the Premises is located and the architectural and accessibility regulations issued by the United States Attorney General's office pursuant to Title III of the Americans with Disabilities Act of 1990 and the Minimum Guidelines and Requirements for Accessible Design issued by the Architectural and Transportation Barriers Compliance Board. All drawings for Lessee's Work, as described below, are to be prepared at Lessee's expense by an interior designer or space planner or, if required by governmental authorities, Lessee's architect who shall be licensed in the State in which the Premises is located.

Within twenty-five (25) days after the later of Lessee's receipt of the Floor Plan or the Effective Date of the Lease, Lessee agrees to submit to Lessor two (2) sets of fully detailed and dimensioned one-quarter inch (1/4") scale construction drawings. These drawings shall indicate the specific requirements of Lessee's space showing clearly, without limitation, the interior partitions, trade fixture plans, lighting, electrical outlets, plumbing, signs, size and locations of equipment to be installed on the roof, if any, State energy compliance calculations, handicap access requirements, structural calculations, samples, etc., and all other items set forth under "**Lessee's Work**".

All drawings for Lessee's Work are subject to Lessor's approval and in the event said drawings are not approved, for any reason whatsoever, within sixty (60) days after the later of Lessee's receipt of the Floor Plan or the Effective Date of the Lease, this Lease shall, at the option of Lessor, be null and void and of no further force or effect.

Lessee shall be responsible for submitting construction drawings to the proper building authority (or health authority as applicable) to obtain a building permit. Fees for plan checking,

processing, permitting, and any other fees relating to Lessee's Work shall be paid by Lessee. The Premises shall be constructed by Lessee's contractor in accordance with said drawings and Lessee agrees to pursue the construction work of said building diligently to completion, complying with all governmental ordinances, rules and regulations. Upon completion of Lessee's Work, Lessee shall file for record in the Office of the County Recorder where the Project is located a Notice of Completion, as permitted by law.

5. Lessor agrees to deliver to Lessee, and Lessee agrees to accept from Lessor, possession of the Premises forthwith on the Effective Date without the need for further documentation. Lessee shall commence the construction of Lessee's Work as described in this **Exhibit D** promptly upon the Effective Date and shall diligently prosecute such construction to completion.

6. Where final drawings are in conflict with this **Exhibit D**, the provisions of **Exhibit D** shall prevail.

SECTION II DESCRIPTION OF LESSOR'S WORK

The following is a description of the construction, and limitations of same, which will be provided by Lessor and herein referred to as "**Lessor's Work**":

Lessor shall deliver the Premises to Lessee in an "AS IS" "WHERE IS" and "WITH ALL FAULTS" condition with no representations and warranties as to the suitability, quality or condition of any of the existing improvements or any fixtures or equipment contained therein or otherwise serving the Premises with no obligation on the part of the Lessor to undertake any work or pay for any additional improvements with regard to the Premises, except for those maintenance and/or repair obligations of Lessor expressly defined in this Lease.

OR DEFINE LESSOR'S AGREED UPON WORK

SECTION III DESCRIPTION OF LESSEE'S WORK

The work to be done by Lessor in satisfying its obligations to construct Lessee's Premises under the Lease shall be limited to Lessor's Work as described in the foregoing paragraphs. All other items of work not therein provided to be performed by Lessor as part of Lessor's Work shall be provided by Lessee at Lessee's expense and are herein referred to as "**Lessee's Work**". Lessee acknowledges and agrees that if required by Lessor, Utility equipment and facilities included in Lessee's Work shall be procured from Utility providers specified by Lessor. Lessee's Work shall include, but not be limited to, the purchase and/or installation and/or performance of the following:

DEFINE

SECTION IV

CONDITIONS RELATED TO PERFORMANCE OF LESSEE'S WORK

If Lessee's Work is performed by anyone other than Lessor's contractor, the following items shall apply; said items shall be incorporated as "**Special Conditions**" into the contract between Lessee and its contractor (with a copy of the contract to be furnished Lessor for Lessor's reasonable approval prior to the commencement by Lessee of Lessee's Work):

1. Prior to start of Lessee's Work, Lessee or Lessee's contractor shall provide Lessor with a construction schedule indicating the completion dates of Lessee's Work.
2. Lessee or Lessee's contractor shall be responsible for the repair, replacement or cleanup of any damage done by Lessee's contractor at the Project.
3. Any rework of subbase or compaction required after Lessee initial acceptance of the Premises shall be done by Lessee's contractor, which shall include the removal from the Project of any excess dirt or debris.
4. Lessee or Lessee's contractor shall contain his storage of materials and his operations within the Premises and such other space as such contractor may be assigned by Lessor or Lessor's contractor. Should he be assigned space outside of the Premises, he shall move to such other space as Lessor shall direct from time to time to avoid interference or delays with other work.
5. All trash and surplus construction materials shall be stored within the Premises and shall be promptly removed from the Project at the sole cost of Lessee or Lessee's contractor. Once the Project is open and operating, no Common Area trash containers shall be used for construction debris.
6. Lessee or Lessee's contractor shall provide temporary utilities, portable toilet facilities and potable drinking water as required for his work within the Premises and shall pay to Lessor the cost of any temporary utilities and facilities provided by Lessor at Lessee or Lessee's contractor's request.
7. Lessee or Lessee's contractor shall notify Lessor of any planned work to be done on weekends, holidays or other than normal job hours.
8. Lessee and Lessee's contractor are responsible for compliance with all applicable codes and regulations of duly constituted authorities having jurisdiction insofar as the performance of the work and completed improvements are concerned for all work performed by Lessee or Lessee's contractor and all applicable safety regulations established by the general contractor for the Project, and Lessee further agrees to save and hold Lessor harmless for said work as provided in Paragraph 8 of the Lease. Prior to commencement of construction, Lessee shall submit to Lessor evidence of insurance as required in Paragraph 8 of the Lease.

9. Lessee's contractor or subcontractors shall not post signs on any part of the Project or on the Premises.

10. Notwithstanding the provisions herein, Lessee shall be responsible for and shall obtain and record a Notice of Completion promptly following completion of Lessee's Work.

11. Prior to the commencement of construction, Lessee shall obtain or cause its contractor to obtain payment and performance bonds covering the faithful performance of the contract for the construction of Lessee's Work and the payment of all obligations arising thereunder. Such bonds shall be for the mutual benefit of both Lessor and Lessee and shall be issued in the names of both Lessor and Lessee as obligees and beneficiaries. Prior to the date Lessee commences construction of Lessee's Work, Lessee shall submit evidence satisfactory to Lessor that such bonds have been issued.

EXHIBIT E

GUARANTY OF LEASE

This Guaranty of Lease ("**Guaranty**") is made and effective as of _____, 201_, by _____, an individual ("**Guarantor**") in favor of _____, a _____ ("**Lessor**"), with reference to the facts set forth below.

RECITALS:

Lessor has entered into that certain lease agreement ("**Lease**") of even date herewith with _____, a _____ ("**Lessee**"), to which this Guaranty is attached for the lease of the premises ("**Premises**") located in the City of _____, State of _____, as more particularly described in the Lease.

As a condition to entering into the Lease, Lessor has required that Guarantor execute this Guaranty guaranteeing performance of certain covenants on Lessee's part to be performed pursuant to the Lease. Guarantor's agreement to provide this Guaranty is a material consideration for Lessor's decision to lease the Premises to Lessee.

NOW, THEREFORE, to induce Lessor to enter into the Lease and in consideration thereof, Guarantor agrees as set forth below.

Guarantor unconditionally guarantees to Lessor and to Lessor's successors and assigns, the prompt payment by Lessee of all rentals and all other sums payable by Lessee under the Lease and the faithful and prompt performance by Lessee of each and every one of the terms, conditions and covenants of said Lease to be kept and performed by Lessee. Guarantor waives notice of any breach or default by Lessee. Guarantor's obligations hereunder shall continue in full force and effect with respect to any of Lessee's obligations guaranteed hereunder which are not performed upon the termination of this Lease. Guarantor hereby unconditionally guarantees the full and timely performance of each and every obligation to be kept and performed by the Lessee pursuant to the terms of the Lease ("**Lease Obligations**") in accordance with the terms of and at the time and place specified therein, including, but not limited to, the payment of all rents and other charges accruing pursuant thereto.

This Guaranty is a continuing guaranty of Lessee's obligations under the Lease as described in this Guaranty, independent of and in addition to any other guaranty, previously or subsequently given to Lessor, and this Guaranty shall not affect any of said guaranties.

Guarantor hereby expressly waives and relinquishes any and all rights and remedies which Guarantor may have or be able to assert by reason of the laws or decisions of the State in which the Premises is located pertaining to the rights and remedies of sureties.

Guarantor waives any right to require Lessor to (a) proceed against Lessee or any co-guarantor, (b) proceed against or exhaust any security (including a security deposit) held by Lessor, or (c) pursue any remedy in Lessor's power whatsoever. Guarantor waives any defense

it may acquire by reason of Lessor's election of any remedy against it or Lessee or both, including, but without limitation, the election by Lessor to exercise its rights to occupy and operate the Premises under the Lease.

Guarantor waives any defense based upon the legal disability of Lessee, or any discharge, release or limitation of the liability of Lessee to Lessor, or any restraint or stay applicable to actions against Lessee, or any disaffirmance or abandonment of the Lease by a trustee of Lessee whether consensual, or by order of a court or other governmental authority, arising by operation of law or any liquidation, reorganization, receivership, bankruptcy, insolvency or debtor relief proceeding, or any other cause. Guarantor further waives any defense based upon any amendment modification, renewal, extension, assignment, subletting or other alteration (with or without the consent of Lessor) of the Lease, or the term of the Lease or obligation of Lessee or Lessor under the Lease, or any other documents relating to the transactions described therein; any defense based upon the negligence of Lessor; any defense based upon the forfeiture or termination of the Lease by Lessor whether by expiration or default; any defense based upon the failure of Lessor to file a claim in bankruptcy of Lessee; all rights of subrogation, all rights to enforce any remedy that Lessor may have against Lessee, and all rights to participate in any security held by Lessor for the performance and obligations of Lessee under the Lease, except to the extent such security remains after payment and performance of Lessee's obligations in full; any defense based upon the impairment of any subrogation rights that Lessee might have; any defense based upon death, incapacity, lack of authority or termination of existence or revocation hereof by any person or entity, or persons or entities, or the substitution of any party hereto, and any defense based upon or related to Guarantor's lack of knowledge as to Lessee's financial condition, and any and all rights under the laws of the State in which the Premises is located.

Guarantor waives all presentments, demands, protests and notices of any kind including notice of acceptance of the Guaranty by Lessor. Any act of Lessor, or its successors or assigns, consisting of a modification of the Lease, a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any manner or thing relating to the Lease, or the granting of any indulgences or extensions of time to Lessee, are hereby deemed approved by Guarantor and may be done without notice to Guarantor and without releasing Guarantor from any of its obligations hereunder.

Guarantor assumes full responsibility for keeping fully informed of the financial condition of Lessee and all other circumstances affecting Lessee's ability to perform its obligations to Lessor, and agrees that Lessor shall have no duty to report to Guarantor any information which Lessor receives about Lessee's financial condition or any circumstances bearing on Lessee's ability to perform.

The covenants and obligations of Guarantor hereunder are independent of Lessee's obligations under the Lease and are binding upon the Guarantor notwithstanding the fact that Guarantor is not the signatory to the Lease; separate action or actions may be brought against any guarantor hereon, whether or not action is brought against Lessee or any co-guarantor or Lessee or any co guarantor be joined in any such action or actions.

Any indebtedness or other obligations of Lessee now or hereafter held by Guarantor is hereby subordinated to Lessee's obligations to Lessor, and such indebtedness or other

obligations of Lessee to Guarantor, if Lessor so request, shall be collected, enforced and received by Guarantor as Trustee for Lessor and be paid over to Lessor on account of Lessee's obligations to Lessor, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

This Guaranty shall be enforceable by Lessor in accordance with the laws of the State in which the Premises is located and shall be construed in accordance therewith. Guarantor agrees to pay attorney's fees and all other costs and expenses which may be incurred by Lessor in enforcement of this Guaranty. Until paid to Lessor, such sums will bear interest from the date such costs and expenses are incurred at the maximum rate permitted by law.

No delay or failure on the part of Lessor to pursue any right or remedy hereunder or under the Lease shall constitute a waiver of that right or remedy. All remedies of Lessor against Guarantor are cumulative.

The obligations and promises set forth herein shall be joint and several undertakings of each of the persons executing this Guaranty as a Guarantor, and Lessor may proceed hereunder against any one or more of said persons without waiving its right to proceed against any of the others. The use of the singular herein shall include the plural.

Guarantor acknowledges that its undertakings given hereunder are given in consideration of Lessor's entering into the Lease and that Lessor would not consummate the Lease were it not for the execution and delivery of this Guaranty.

The provisions of this Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, successors and assigns of Guarantor and Lessor.

Guarantor represents and warrants that it has all requisite power and authority to execute deliver, perform and be legally bound by this Guaranty on the terms and conditions herein stated and transact any other business with Lessor as necessary to fulfill the terms of this Guaranty.

No provision of this Guaranty or Lessor's rights hereunder can be waived or modified nor can Guarantor be released from its obligations hereunder except by a writing executed by Lessor. No such waiver shall be applicable except in the specific instance for which given.

Guarantor hereby waives its right to trial by jury of any cause of action, claim, counterclaim or cross complaint in any action, proceeding and/or hearing brought by either Lessor against Lessee and/or Guarantor or Lessee against Lessor and/or Guarantor, or by Guarantor against Lessor and/or Lessee, on any matter whatsoever arising out of, or in any way connected with, this Guaranty and/or the Lease, the relationship of Lessor, Lessee and Guarantor, Lessee's use and occupancy of the Premises or Common Areas, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

The term "Lessee" will mean both the named lessee and any other person or entity at any time assuming, subleasing or otherwise becoming primarily liable for all or any part of the Lessee's obligations. The term "Lessor" will mean both the lessor named herein and any future

owner or holder of Lessor's interest in the Premises. Lessor may, without notice, assign this Guaranty in whole or in part without extinguishing or reducing the liability of the Guarantor.

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be given in the manner required for giving notices as set forth in the Lease. For purposes of notice, the addresses of the parties shall be as set forth on the signature page hereof; provided, however, that any party shall have the right to change its address for notice hereunder to any other location by giving notice to the other party in the manner set forth above.

IN WITNESS WHEREOF, the undersigned have executed this Guaranty as of the day and year first above written.

GUARANTOR:

Name:

Dated: _____, 201_

Address of Guarantor:

Social Security #: _____

Driver's License #: _____

Address of Lessor: